
APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages I-1 — I-3, received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants.

[To insert letterhead]

[DRAFT]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF AHM HOLDINGS LIMITED AND KINGSWAY CAPITAL LIMITED AND RED SUN CAPITAL LIMITED

Introduction

We report on the historical financial information of AHM Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-4–I-50, which comprises the combined statements of financial position as at 31 December 2024 and 2025 and 31 May 2026, and the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows for each of the years ended 31 December 2024 and 2025 and for the five months ended 31 May 2026 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-4–I-50 forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [●] (the “[REDACTED]”) in connection with the initial [REDACTED] of shares of the Company on GEM of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

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Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the combined financial position of the Group as at 31 December 2024 and 2025 and 31 May 2026 and of its combined financial performance and its combined cash flows for the Track Record Period in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the five months ended 31 May 2025 and other explanatory information (the “Stub Period Comparative Financial Information”). The directors of the Company are responsible for the presentation and preparation of the Stub Period Comparative Financial Information in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in Notes 1.3 and 2 to the Historical Financial Information.

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Report on matters under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page [I-4] have been made.

Dividends

We refer to note 13 to the Historical Financial Information which states that no dividends have been paid by AHM Holdings Limited in respect of the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]

Certified Public Accountants

Hong Kong, [Date]

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I. HISTORICAL FINANCIAL INFORMATION**PREPARATION OF HISTORICAL FINANCIAL INFORMATION**

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The combined financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by [PricewaterhouseCoopers] in accordance with Hong Kong Standards on Auditing issued by the HKICPA (“Underlying Financial Statements”).

The Historical Financial Information is presented in Hong Kong dollar (“HK\$”) and all values are rounded to the nearest thousand (HK\$’000) except when otherwise indicated.

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COMBINED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Year ended 31 December		Five months ended 31 May	
		2024	2025	2025	2026
		HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Revenue	5	150,261	163,805	64,925	50,033
Cost of sales	7	(125,597)	(139,643)	(54,628)	(40,484)
Gross profit		24,664	24,162	10,297	9,549
Other income	6	65	96	41	40
Other gains/(losses), net	6	33	936	(21)	(17)
General and administrative expenses	7	(9,030)	(9,760)	(4,319)	(7,440)
Provision for impairment losses on trade receivables	3.1(b)	(174)	(5,546)	(685)	(194)
Reversal of/(provision for) impairment losses on other receivables	3.1(b)	367	1,337	(168)	780
Operating profit		15,925	11,225	5,145	2,718
Finance income	10	422	373	163	133
Finance costs	10	(437)	(518)	(139)	(209)
Finance (costs)/income, net		(15)	(145)	24	(76)
Profit before income tax expense		15,910	11,080	5,169	2,642
Income tax expense	11	(2,578)	(1,760)	(800)	(833)
Profit for the year/period attributable to owners of the Company		13,332	9,320	4,369	1,809
Other comprehensive income/(losses):					
<i>Items that will not be reclassified to profit or loss:</i>					
Remeasurement of provision for long service payments	21	69	(49)	(20)	117
Fair value gain on financial asset at fair value through other comprehensive income		3	2	2	3
Other comprehensive income/(losses) for the year/period, net of tax		72	(47)	(18)	120
Total comprehensive income for the year/period		13,404	9,273	4,621	1,929
Earnings per share attributable to owners of the Company					
Basic and diluted (expressed in HK cents per share)	12	N/A	N/A	N/A	N/A

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COMBINED STATEMENTS OF FINANCIAL POSITION

		As at 31 December		As at 31 May
	Note	2024	2025	2026
		HK\$'000	HK\$'000	HK\$'000
Assets				
Non-current assets				
Property, plant and equipment	14	28,417	40,043	39,671
Right-of-use assets	15	4,747	1,458	747
Financial asset at fair value through other comprehensive income	17	11	13	16
Other receivable and deposits	18	<u>10,232</u>	<u>6,972</u>	<u>6,625</u>
		<u>43,407</u>	<u>48,486</u>	<u>47,059</u>
Current assets				
Trade receivables	18	14,639	35,154	27,190
Other receivables, deposits and prepayments	18	492	1,079	2,730
Amount due from a related company	25	—	—	8
Cash and cash equivalents	19	<u>8,794</u>	<u>22,959</u>	<u>7,424</u>
		<u>23,925</u>	<u>59,192</u>	<u>37,352</u>
Total assets		<u>67,332</u>	<u>107,678</u>	<u>84,411</u>
Equity				
Combined capital	20	10	10	17,195
Other reserves		302	255	375
Retained earnings		<u>19,123</u>	<u>25,443</u>	<u>27,252</u>
Total equity		<u>19,435</u>	<u>25,708</u>	<u>44,822</u>
Liabilities				
Non-current liabilities				
Other payables	22	—	5,566	3,760
Lease liabilities	15	1,505	—	—
Deferred tax liabilities	23	2,873	3,069	3,364
Provision for long service payments	21	<u>839</u>	<u>950</u>	<u>857</u>
		5,217	9,585	7,981

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	<i>Note</i>	<u>As at 31 December</u>		<u>As at 31 May</u>
		<u>2024</u>	<u>2025</u>	<u>2026</u>
		<u>HK\$’000</u>	<u>HK\$’000</u>	<u>HK\$’000</u>
Current liabilities				
Trade payables	22	14,913	39,794	19,073
Contract liabilities	5	810	1,304	440
Accruals and other payables	22	2,842	7,982	8,599
Amount due to an intermediate holding company	25	47	47	47
Amount due to an immediate holding company	25	17,189	17,185	—
Amounts due to related companies	25	2,550	2,492	—
Income tax payable		1,038	2,058	2,596
Lease liabilities	15	3,291	1,523	853
		<u>42,680</u>	<u>72,385</u>	<u>31,608</u>
Total liabilities		<u>47,897</u>	<u>81,970</u>	<u>39,589</u>
Net current (liabilities)/assets		<u>(18,755)</u>	<u>(13,193)</u>	<u>5,744</u>
Total equity and liabilities		<u>67,332</u>	<u>107,678</u>	<u>84,411</u>

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COMBINED STATEMENTS OF CHANGES IN EQUITY

	<i>Note</i>	Attributable to owners of the Company			
		Combined capital (<i>Note 20</i>)	Other reserves	Retained earnings	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2024		10	230	5,791	6,031
Profit for the year		—	—	13,332	13,332
Other comprehensive income:					
— Remeasurement of provision for long service payments	21	—	69	—	69
— Fair value gain on financial asset at fair value through other comprehensive income		—	3	—	3
Total profit and comprehensive income for the year		—	72	13,332	13,404
Balance at 31 December 2024		10	302	19,123	19,435
Balance at 1 January 2025		10	302	19,123	19,435
Profit for the year		—	—	9,320	9,320
Other comprehensive losses:					
— Remeasurement of provision for long service payments	21	—	(49)	—	(49)
— Fair value gain on financial asset at fair value through other comprehensive income		—	2	—	2
Total profit and comprehensive income for the year		—	(47)	9,320	9,273
Transactions with owners in their capacity as owners					
Dividend	13	—	—	(3,000)	(3,000)
Balance at 31 December 2025		10	255	25,443	25,708

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Note	Attributable to owners of the Company			
	Combined capital (Note 20)	Other reserves	Retained earnings	Total equity
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
(Unaudited)				
Balance at 1 January 2025	10	302	19,123	19,435
Profit for the period	—	—	4,369	4,369
Other comprehensive losses:				
— Remeasurement of provision for long service payments	21	(20)	—	(20)
— Fair value gain on financial asset at fair value through other comprehensive income		2	—	2
	—	2	—	2
Total profit and comprehensive income for the period	—	(18)	4,369	4,351
Balance at 31 May 2025	10	284	23,492	23,786
Balance at 1 January 2026	10	255	25,443	25,708
Profit for the period	—	—	1,809	1,809
Other comprehensive income:				
— Remeasurement of provision for long service payments	21	117	—	117
— Fair value gain on financial asset at fair value through other comprehensive income		3	—	3
	—	3	—	3
Total profit and comprehensive income for the period	—	120	1,809	1,929
Transactions with owners in their capacity as owners				
Capitalization of ordinary shares	20	17,185	—	17,185
Balance at 31 May 2026	17,195	375	27,252	44,822

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COMBINED STATEMENTS OF CASH FLOWS

		Year ended 31 December		Five months ended 31 May	
	Note	2024	2025	2025	2026
		HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Cash flows from operating activities					
Cash generated from/(used in) operations	24(a)	15,414	29,385	12,116	(7,715)
Income tax paid		(1,633)	(544)	(544)	—
Interest received	10	<u>1</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net cash generated from/(used in) operating activities		<u><u>13,782</u></u>	<u><u>28,841</u></u>	<u><u>11,572</u></u>	<u><u>(7,715)</u></u>
Cash flows from investing activities					
Purchase of property, plant and equipment		(10,542)	(10,041)	(4,162)	(1,416)
Proceeds from disposal of property, plant and equipment	24(b)	<u>—</u>	<u>2,569</u>	<u>—</u>	<u>—</u>
Net cash used in investing activities		<u><u>(10,542)</u></u>	<u><u>(7,472)</u></u>	<u><u>(4,162)</u></u>	<u><u>(1,416)</u></u>
Cash flows from financing activities					
Repayments of borrowings	24(c)	(1,408)	—	—	—
Repayments of purchase payables for property, plant and equipment	24(c)	(702)	(542)	(542)	(2,575)
Dividend paid	13	—	(3,000)	—	—
Payment for principal and interest of lease liabilities	24(c)	(3,285)	(3,658)	(1,383)	(697)
Repayment to amount due to an immediate holding company	24(c)	—	(4)	—	—
Repayments to related companies	24(c)	—	—	—	(2,000)
Prepayments for [REDACTED]		<u>—</u>	<u>—</u>	<u>—</u>	<u>[REDACTED]</u>
Net cash used in financing activities		<u><u>(5,395)</u></u>	<u><u>(7,204)</u></u>	<u><u>(1,925)</u></u>	<u><u>(6,404)</u></u>
Net (decrease)/increase in cash and cash equivalents					
		(2,155)	14,165	5,485	(15,535)
Cash and cash equivalents at beginning of the year		<u>10,949</u>	<u>8,794</u>	<u>8,794</u>	<u>22,959</u>
Cash and cash equivalents at end of the year/period					
	19	<u>8,794</u>	<u>22,959</u>	<u>14,279</u>	<u>7,424</u>

For major non-cash transactions for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, please refer to Note 24(d).

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION, REORGANISATION AND BASIS OF PRESENTATION

1.1 General information

AHM Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 12 August 2026 as an exempted company with limited liability under Companies Act (as revised) of the Cayman Islands. The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the provision of stage lighting and sound engineering design and configuration management (the “[REDACTED] Business”). The ultimate holding company of the Company is Giant Panda Group Limited, a limited liability company incorporated in Hong Kong. The ultimate controlling shareholder of the Group is Mr. Ng Kam Shing (“Mr. Ng” or “Controlling Shareholder”).

1.2 Reorganisation

Prior to the incorporation of the Company and the completion of the reorganisation (the “Reorganisation”) as described below, the [REDACTED] Business was mainly carried out by AHM Engineering Company Limited (“AHM” or “Operating Entity”). Before the completion of the Reorganisation, the Operating Entity was controlled by Mr. Ng.

In preparing for the [REDACTED] of the Company’s shares on GEM of The Stock Exchange of Hong Kong Limited, the Operating Entity underwent the Reorganisation, pursuant to which our Company became the holding company of our Group. The main steps of the Reorganisation were:

1.2.1 Loan capitalisation of AHM

On 30 April 2026, a shareholder’s loan owed by AHM to Colour Tone, an immediate holding company of AHM, in the amount of HK\$17,185,153 was capitalised by the issue and allotment of 10,000 ordinary shares of AHM, credited as fully-paid, to Colour Tone, ranking *pari passu* in all respects with the existing shares of AHM.

1.2.2 Incorporation of Evergreen Bamboo, Smart Production, Bright Prosper, the Company and AHM Group Limited

- (i) Evergreen Bamboo was incorporated on 23 April 2026 in the BVI and is authorised to issue a maximum of 50,000 shares with a par value of US\$1 each in one single class or series. On 28 April 2026, 100 ordinary shares of Evergreen Bamboo was allotted and issued to DeMain Culture Group, representing the entire issued shares of Evergreen Bamboo. DeMain Culture Group is wholly-owned by Giant Panda Group Investment, which is in-turn wholly-owned by Giant Panda Group, which is directly wholly and beneficially owned by Mr. Ng.
- (ii) Smart Production was incorporated on 13 May 2026 in the BVI and is authorised to issue a maximum of 50,000 shares with a par value of HK\$1 each in one single class or series. On 13 May 2026, 100 ordinary shares of Smart Production was allotted and issued to Mr. Chan Muk Hing (a substantial shareholder), representing the entire issued shares of Smart Production.
- (iii) Bright Prosper was incorporated on 29 April 2026 in the BVI and is authorised to issue a maximum of 50,000 shares with a par value of HK\$1 each in one single class or series. On 29 April 2026, 100 ordinary shares of Bright Prosper was allotted and issued to Mr. Choi Koon Ming (a substantial shareholder), representing the entire issued shares of Bright Prosper.
- (iv) The Company was incorporated on 12 August 2026 in the Cayman Islands with an authorised share capital of HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each. Upon incorporation, one Share was allotted and issued to the initial subscriber, which was transferred to Evergreen Bamboo, followed by the issue and allotment of 50, 28 and 21 Shares to Evergreen Bamboo, Smart Production and Bright Prosper respectively for cash at par.

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- (v) AHM Group Limited was incorporated on 17 August 2026 in the BVI and is authorised to issue a maximum of 50,000 shares with a par value of HK\$1 each in one single class or series. On 17 August 2026, 100 ordinary shares of AHM Group Limited were allotted and issued to the Company, representing its entire issued share capital of AHM Group Limited.

1.2.3 Acquisition of AHM by AHM Group Limited

On 20 August 2026, Colour Tone as vendor and AHM Group Limited as purchaser entered into a sale and purchase agreement pursuant to which AHM Group Limited acquired from Colour Tone 20,000 shares of AHM, representing its entire issued share capital, at a consideration of HK\$1.

Upon the completion of the Reorganisation, and as at the date of this report, the Company has direct and indirect interests in the following subsidiaries:

Company name	Country/place and date of incorporation/ establishment	Issued and fully paid share capital/ registered capital	Percentage of attributable equity interest			As at the date of this report	Principal activities
			As at 31 December	As at 31 May			
			2024	2025	2026		
Directly held subsidiary							
AHM Group Limited	The British Virgin Islands, 17 August 2026	50,000 shares of HK\$1 per share	—	—	—	100%	Investment holding
Indirectly held subsidiary							
AHM Engineering Company Limited (Note (i))	Hong Kong, 18 July 1996	10 shares of HK\$1 per share	100%	100%	100%	100%	Provision of stage lighting and sound engineering services

Note:

- (i) The statutory financial statements of this company for the year ended 31 December 2024 were audited by Richard Poon & Partners (C.P.A.) Limited. Up to the date of this report, the audited financial statements of this company for the year ended 31 December 2025 have not been issued.

1.3 Basis of presentation

Immediately prior to and after the Reorganisation, the stage lighting and sound engineering design and configuration management business is held by AHM. Pursuant to the Reorganisation, AHM is transferred to and held by the Company. The Company has not been involved in any other business prior to the Reorganisation and do not meet the definition of a business. The Reorganisation is merely a recapitalisation of the stage lighting and sound engineering design and configuration management business with no change in management of such business and the ultimate owners of the stage lighting and sound engineering design and configuration management business remain the same. Accordingly, the Group resulting from the Reorganisation is regarded as a continuation of the stage lighting and sound engineering design and configuration management business under AHM and, for the purpose of this report, the historical financial information has been prepared and presented as a continuation of the financial statements of AHM, with the assets and liabilities of the Group recognised and measured at the carrying amounts of the stage lighting and sound engineering design and configuration management business under the financial statements of AHM for all periods presented.

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2 BASIS OF PREPARATION

The Historical Financial Information have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKFRS comprises the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA

The Historical Financial Information has been prepared under the historical cost convention, except for financial asset at fair value through other comprehensive income, which is measured at fair value.

The preparation of the Historical Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 4.

2.1 Issued but not yet effective HKFRS Accounting Standards

The Group has not applied the following new and amended HKFRS Accounting Standards, that have been issued but are not yet effective, in the Historical Financial Information. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective:

		Effective for annual year beginning on or after
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	To be determined

The Group plans to adopt the above new standards, amendments and interpretation to standards when they become effective. Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 “Presentation and Disclosure in Financial Statements” (“HKFRS 18”)

HKFRS 18 introduces new requirements for presentation within the combined statements of comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the combined statements of comprehensive income into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to HKAS 7 “Statement of Cash Flows”, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other

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standards. HKFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. HKFRS 18 will apply retrospectively. The new requirements are expected to impact the Group’s presentation of the combined statements of comprehensive income and disclosures of the Group’s financial performance. So far, the Group considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group’s results of operations and financial position.

The Group has performed preliminary assessment and does not anticipate any significant impact on the Group’s financial position and results of operations upon adopting these new standards and amendments to standards.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group’s activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activity is undertaken by management.

(a) *Market risk*

(i) *Cash flow and fair value interest rate risk*

The Group’s interest rate risk arises from its cash and cash equivalents and other receivables. Except for other receivables which are entitled to fixed interest rates and expose the Group to the fair value interest rate risk, cash and cash equivalents are carried at variable rates and expose the Group to the cash flow interest rate risk.

As at 31 December 2024 and 2025, if the market interest rates had been 50 basis points higher or lower with all other variables held constant, the impact on the Group’s post-tax profit for the year would have been approximately HK\$5,000 and HK\$10,000 higher/lower.

As at 31 May 2026, if the market interest rates had been 50 basis points higher or lower with all other variables held constant, the impact on the Group’s post-tax profit for the period would have been approximately HK\$1,000 higher/lower.

(b) *Credit risk*

Credit risk arises from cash and cash equivalents, trade receivables, other receivables and deposits and amount due from a related company which are carried at amortised cost.

(i) *Risk management*

The carrying amounts of cash and cash equivalents, trade receivables and other receivables and deposits and amount due from a related company included in the combined statements of financial position represent the Group’s maximum exposure to credit risk in relation to its financial assets.

The majority of the Group’s cash at banks are deposited in major financial institutions located in Hong Kong, which are in good reputation and high credit quality. Management does not expect any losses arising from non-performance by these counterparties.

Credit risk includes risks resulting from risks of concentration and counterparty default. As at 31 December 2024 and 2025 and 31 May 2026, the Group has concentration of credit risk as its top 5 trade debtors represent 78%, 78% and 60 % respectively of the total trade receivables. The Group also has policies

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in place to ensure that services are performed to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Normally the Group does not require collaterals from trade debtors.

(ii) *Impairment of financial assets*

The Group has the following financial assets that are subject to the expected credit loss (“ECL”) model:

- trade receivables;
- other receivables and deposits;
- amount due from a related company; and
- cash and cash equivalents.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial as the relevant banks’ external credit ratings are of investment grades.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. To measure the ECL, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of the customers and the corresponding historical credit losses experienced. Expected credit loss rate of 100% is applied for the trade receivables which have days past due more than 24 months.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP growth rate in Hong Kong to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off where there is no reasonable expectation of recovery.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

As at 31 December 2025 and 31 May 2026, the Group’s trade receivables included an amount due from a customer of approximately HK\$4,085,000 which was identified as credit-impaired. The receivable had been long overdue and the customer had a history of continuous default. Having also considered adverse information identified in respect of the customer, and noting that the customer was wound up on 16 March 2026, the Group has determined that the recoverability of the balance was remote. Accordingly, loss allowance of approximately HK\$4,085,000 was recognised in the combined statement of comprehensive income during the year ended 31 December 2025.

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On that basis, the loss allowance related to non-credit impaired trade receivables as at 31 December 2024 and 2025 and 31 May 2026 were determined as follows for trade receivables:

As at 31 December 2024

	Current	Up to 3 months past due	3 to 6 months past due	6–12 months past due	12–24 months past due	Over 24 months past due	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Expected loss rates	0.47%	0.73%	4.36%	12.13%	44.44%	100%	1.33%
Gross carrying amount	7,451	5,627	1,262	478	18	—	14,836
Loss allowance	(35)	(41)	(55)	(58)	(8)	—	(197)
Net carrying amount	<u>7,416</u>	<u>5,586</u>	<u>1,207</u>	<u>420</u>	<u>10</u>	<u>—</u>	<u>14,639</u>

As at 31 December 2025

	Current	Up to 3 months past due	3 to 6 months past due	6–12 months past due	12–24 months past due	Over 24 months past due	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Expected loss rates	1.54%	1.94%	9.12%	20.12%	86.50%	100%	4.50%
Gross carrying amount	25,390	6,133	2,533	2,212	526	18	36,812
Loss allowance	(390)	(119)	(231)	(445)	(455)	(18)	(1,658)
Net carrying amount	<u>25,000</u>	<u>6,014</u>	<u>2,302</u>	<u>1,767</u>	<u>71</u>	<u>—</u>	<u>35,154</u>

As at 31 May 2026

	Current	Up to 3 months past due	3 to 6 months past due	6–12 months past due	12–24 months past due	Over 24 months past due	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Expected loss rates	1.53%	1.91%	7.61%	19.05%	52.41%	100%	6.38%
Gross carrying amount	15,910	7,260	1,773	2,940	809	350	29,042
Loss allowance	(244)	(139)	(135)	(560)	(424)	(350)	(1,852)
Net carrying amount	<u>15,666</u>	<u>7,121</u>	<u>1,638</u>	<u>2,380</u>	<u>385</u>	<u>—</u>	<u>27,190</u>

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The loss allowances for trade receivables as at 31 December 2024 and 2025 and 31 May 2026 reconcile to the opening loss allowances as follows:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
At the beginning of the year/period	23	197	5,743
Provision for loss allowances	<u>174</u>	<u>5,546</u>	<u>194</u>
At the end of the year/period	<u><u>197</u></u>	<u><u>5,743</u></u>	<u><u>5,937</u></u>

Other financial assets measured at amortised cost

The Group’s other financial assets carried at amortised cost include other receivables and deposits and amount due from a related party. The Group applies HKFRS 9 general approach to measuring ECL, and ECL is assessed in three stages.

Stage 1: if the financial instruments are not credit-impaired during origination and their credit risk has not increased significantly since origination, and the impairment allowance is measured at an amount up to 12-month ECL.

Stage 2: if the financial instruments are not credit-impaired during origination but their credit risk has increased significantly since origination, and the impairment allowance is measured at an amount equal to the lifetime ECL.

Stage 3: if the financial instruments are credit impaired and their future cash flows of that financial instruments are adversely affected by one or more events, and the impairment allowance is also measured at an amount equal to the lifetime ECL.

The Group has considered the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis for the year/period. To assess whether there is a significant increase in credit risk, the Group considered the actual or expected significant adverse changes in business, financial and economic conditions that are expected to cause a significant change to the third party’s ability to meet its obligations.

The Group measures ECL using probability of default, loss given default and exposure at default, with the consideration of forward-looking information.

As at 31 December 2024 and 2025 and 31 May 2026, management considered the credit risk of other receivables and deposits (except for the consideration receivable) and amount due from a related party to be low as counterparties have a strong capacity to meet their contractual cash flow obligations in the near term and there was no significant increase in credit risk. The Group has assessed that the other receivables and deposits (except for the consolidation receivable) and amount due from a related party were subject to 12-month ECL (stage 1) and the identified ECL were immaterial for the years ended 31 December 2024 and 2025 and the five months period ended 31 May 2026.

As at 31 December 2024 and 2025 and 31 May 2026, consideration receivable of approximately HK\$23,267,000, HK\$19,824,000 and HK\$18,839,000, respectively, were identified as credit-impaired (stage 3), due to long-aged overdue and the counterparty had a history of continuous default. The Group measures the ECL for the credit-impaired consideration receivable using probability of default, loss given default and exposure at default, with the consideration of forward-looking information. The identified ECL was approximately HK\$13,716,000 and HK\$12,852,000 and HK\$12,214,000 as at 31 December 2024 and 2025 and 31 May 2026, respectively (Note 18(b)).

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The following tables show reconciliation of loss allowances that have been recognised for consideration receivable as at 31 December 2024 and 2025 and 31 May 2026 which is measured under lifetime ECL (stage 3 — credit impaired):

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
At the beginning of the year/period	13,602	13,716	12,852
Provision for/(reversal of) loss allowance of other receivables	114	(864)	(638)
At the end of the year/period	13,716	12,852	12,214

(c) *Liquidity risk*

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due, resulting from amount and maturity mismatches of assets and liabilities.

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and monitoring the Group’s working capital to ensure that all liabilities due. Further, management performs monthly review of receivables and payables ageing analysis to ensure the Group is able to maintain sufficient financial resources to meet its liquidity requirements and to follow up on any overdue balances.

The table below analyses the financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates, or if floating, based on the current rates at the year-end date). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment.

	On demand or less than 1 year	Between 1 year to 2 years	Over 2 years	Total contractual cash flow	Carrying amount
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
As at 31 December 2024					
Trade payables	14,913	—	—	14,913	14,913
Accruals and other payables	1,196	—	—	1,196	1,196
Amount due to an intermediate holding company	47	—	—	47	47
Amount due to an immediate holding company	17,189	—	—	17,189	17,189
Amounts due to related companies	2,550	—	—	2,550	2,550
Lease liabilities	3,469	1,547	—	5,016	4,796
	39,364	1,547	—	40,911	40,691

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	On demand or less than 1 year	Between 1 year to 2 years	Over 2 years	Total contractual cash flow	Carrying amount
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
As at 31 December 2025					
Trade payables	39,794	—	—	39,794	39,794
Accruals and other payables	6,207	4,395	1,363	11,965	11,727
Amount due to an intermediate holding company	47	—	—	47	47
Amount due to an immediate holding company	17,185	—	—	17,185	17,185
Amounts due to related companies	2,492	—	—	2,492	2,492
Lease liabilities	1,565	—	—	1,565	1,523
	<u>67,290</u>	<u>4,395</u>	<u>1,363</u>	<u>73,048</u>	<u>72,768</u>
As at 31 May 2026					
Trade payables	19,073	—	—	19,073	19,073
Accruals and other payables	7,142	3,852	—	10,994	10,902
Amount due to an intermediate holding company	47	—	—	47	47
Lease liabilities	868	—	—	868	853
	<u>27,130</u>	<u>3,852</u>	<u>—</u>	<u>30,982</u>	<u>30,875</u>

3.2 Capital risk management

The Group’s objectives when managing capital are to safeguard the Group’s ability to continue as going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group mainly uses equity to finance its operations. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, sell assets or obtain new bank borrowings.

Consistent with others in the industry, the Group monitors capital on the basis of the net debt to equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as Lease liabilities less cash and cash equivalents. Total equity is as shown in the combined statements of financial position.

The net debt to equity ratio were as follows:

		As at 31 December		As at 31 May
	Note	2024	2025	2026
		HK\$’000	HK\$’000	HK\$’000
Lease liabilities	15	4,796	1,523	853
Purchase payables of property, plant and equipment	22	542	10,487	9,226
Less: cash and cash equivalents	19	(8,794)	(22,959)	(7,424)
Net cash		(3,456)	(10,949)	2,655
Total equity		<u>19,435</u>	<u>25,708</u>	<u>44,822</u>
Net debt to equity ratio		<u>N/A</u>	<u>N/A</u>	<u>0.06</u>

The net debt to equity ratio is N/A because the Group was in a net cash position as at 31 December 2024 and 2025.

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3.3 Fair value estimation

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and for instruments where climate risk gives rise to a significant unobservable adjustment.

	<u>Level 1</u>	<u>Total</u>
	<u>HK\$’000</u>	<u>HK\$’000</u>
As at 31 December 2024		
Financial asset		
Financial asset at fair value through other comprehensive income (<i>Note 17</i>)	<u>11</u>	<u>11</u>
As at 31 December 2025		
Financial asset		
Financial asset at fair value through other comprehensive income (<i>Note 17</i>)	<u>13</u>	<u>13</u>
As at 31 May 2026		
Financial asset		
Financial asset at fair value through other comprehensive income (<i>Note 17</i>)	<u>16</u>	<u>16</u>

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026.

(a) *Financial instruments in level 1*

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis. These instruments are included in level 1. See Note 17 for disclosures relevant to financial asset at fair value through other comprehensive income.

(b) *Financial instruments at amortised cost*

The carrying amounts of the Group’s financial assets measured at amortised costs, including trade receivables, other receivables and deposits, amount due from a related company, cash and cash equivalents, and financial liabilities, including trade payables, accrued expenses, amount due to an immediate holding company, amount due to an intermediate holding company, and amounts due to related companies approximate their fair values due to their short maturities or the interest rates are close to the market interest rates.

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3.4 Offsetting financial assets and financial liabilities

The following table presents the recognised financial instruments that are offset, subject to legally enforceable master netting arrangements and other similar agreements but not offset, as at 31 December 2024 and 2025 and 31 May 2026:

	Effects of offsetting on the combined statements of financial position		
	Gross amounts	Gross amounts offset in the combined statements of financial position	Net amounts presented in the combined statements of financial position
	HK\$'000	HK\$'000	HK\$'000
As at 31 December 2024			
Financial asset			
— Consideration receivable	25,431	(2,164)	23,267
Financial liability			
— Trade payables	17,077	(2,164)	14,913
As at 31 December 2025			
Financial asset			
— Consideration receivable	24,074	(4,250)	19,824
Financial liability			
— Trade payables	44,044	(4,250)	39,794
As at 31 May 2026			
Financial asset			
— Consideration receivable	20,089	(1,250)	18,839
Financial liability			
— Trade payables	20,323	(1,250)	19,073
(a) Offsetting arrangements for consideration receivable and trade payables			

AHM and a counterparty entered into a settlement agreement in 2024, the related consideration receivable will be settled by way of set-off against the trade payable balance due to certain subcontractors in accordance with the agreed terms. The relevant amounts have therefore been presented net in the combined statements of financial position.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the track record period are addressed below.

(a) Impairment of trade and other receivables

The Group follows the guidance of HKFRS 9 to determine whether trade and other receivables are impaired. Significant judgement is exercised on the assessment of the risk of default and expected credit losses from each counterparty. In making the judgement, management considers a wide range of factors such as results of follow-up

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procedures, payment trends including subsequent payments and expected future change of credit risks, including consideration of factors such as general economy measure, changes in macro-economic indicators, etc. Details of assumptions and inputs used are discussed in Note 3.1(b).

5 REVENUE AND SEGMENT INFORMATION

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the “CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors of the Operating Entity that make strategic decisions.

The CODM has determined the operating segments based on these reports. The Group is organised into one operating segment.

During the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, the Group’s revenue is all derived from China (including Hong Kong and Macao).

As at 31 December 2024 and 2025 and 31 May 2026, the Group’s non-current assets (other than financial instruments) are all located in China (including Hong Kong and Macao).

(a) Revenue from contracts with customers

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Over-time				
Provision of stage lighting and sound engineering services	147,742	161,152	64,134	47,494
Others	2,519	2,653	791	2,539
	<u>150,261</u>	<u>163,805</u>	<u>64,925</u>	<u>50,033</u>

(b) Revenue from major customer

Revenue individually generated from the following customer contributed to more than 10% of the total revenue of the Group:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Customer A	40,359	31,283	*	*
Customer B	—	—	—	11,070
Customer C	—	*	8,140	—
Customer D	*	*	6,820	*
Customer E	*	*	—	6,023

* Less than 10% of revenue for the relevant year/period.

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(c) Assets and liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Contract liabilities	810	1,304	440

The contract liabilities primarily relate to the deposits or payments received in advance for provision of stage lighting and sound engineering services not yet performed. Revenue is recognised when services are performed.

Notes:

- (i) The Group classifies these contract liabilities as current because the Group expects to realise them in its normal operating cycle.
- (ii) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Revenue recognised that was included in the contract liability balance at the beginning of the year/period	11,343	810	810	1,304

(d) Accounting policies of revenue

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services performed, stated net of discounts and returns. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group’s activities, as described below.

(i) Provision of stage lighting and sound engineering services

Revenues from provision of stage lighting and sound engineering services are generated from providing services for development of tailor-made lighting and sound engineering solution in concert, event and exhibition. The revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. The measure of progress is based on completed performance dates or show days delivered at the reporting date relative to the total performance dates or show days contracted.

The revenue from rendering of services comprises the agreed contract amount.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

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(ii) *Contract liabilities and contract costs*

A contract liability is the Group’s obligation to transfer services to a customer for which the Group has received a consideration (or an amount of consideration is due) from the customer.

Other than the costs which are capitalised as inventories, property, plant and equipment and intangible assets, costs incurred to fulfil a contract with a customer are capitalised as an asset if all of the following criteria are met:

- The costs relate directly to a contract or to an anticipated contract that the entity can specifically identify.
- The costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future.
- The costs are expected to be recovered.

The capitalised contract costs are amortised and charged to the statement of profit or loss on a systematic basis that is consistent with the transfer to the customer of the services to which the asset related. Other contract costs are expensed as incurred.

The Group does not disclose the information about the remaining performance obligations as the performance obligations of the Group have an expected duration of one year or less.

6 OTHER INCOME AND OTHER GAINS/(LOSSES), NET

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Other income				
Rental income	65	96	41	40
Other gains/(losses), net				
Exchange gains/(losses), net	33	(219)	78	(17)
Gain on disposal of property, plant and equipment	—	1,254	—	—
Loss on lease modification	—	(99)	(99)	—
	33	936	(21)	(17)

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7 EXPENSES BY NATURE

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Rental expenses for stage lighting and sound engineering equipment relating to short-term leases (Note 15)	54,478	56,940	19,042	12,712
Subcontracting fee	49,943	58,438	25,480	18,099
Project consumables	1,154	1,838	937	314
Employee benefit expenses (including directors' remuneration) (Note 8)	11,475	13,295	5,568	6,100
Auditor's remuneration — audit services	78	78	33	38
Depreciation of property, plant and equipment (Note 14)	5,838	7,179	2,884	2,920
Depreciation of right-of-use assets (Note 15)	3,130	3,402	1,412	711
Other expenses relating to short-term leases (Note 15)	1,268	531	221	1,028
Legal and professional fee	91	2	—	295
[REDACTED]	—	—	—	[REDACTED]
Surveyor fees	1,950	2,190	723	747
Entertainment expenses	228	209	160	141
Insurance expenses	916	288	129	184
Motor vehicle expenses	342	300	113	111
Management service charge	610	1,348	656	—
Repair and maintenance	234	291	121	125
Transportation expenses	2,371	2,673	1,348	910
Written-off of property, plant and equipment (Note 14)	—	65	—	—
Other expenses	521	336	120	187
Total cost of sales and general and administrative expenses	134,627	149,403	58,947	47,924

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATION)

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Salaries and wages	9,219	10,643	4,371	4,904
Bonuses	1,010	1,160	324	375
Pension costs				
— Defined contribution plan	281	324	140	157
— Long service payments (Note 21)	60	62	26	24
Other welfare and allowances	905	1,106	707	640
	11,475	13,295	5,568	6,100
Representing:				
Cost of sales	6,735	8,108	3,285	3,702
General and administrative expenses	4,740	5,187	2,283	2,398
	11,475	13,295	5,568	6,100

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9 BENEFITS AND INTERESTS OF DIRECTORS

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Directors’ emoluments (<i>Note (a)</i>)				
— Salaries and wages	1,200	1,200	500	515
— Bonuses	150	150	42	43
— Pension costs	—	—	—	—
— Other welfare and allowances	36	96	40	50
	<u>1,386</u>	<u>1,446</u>	<u>582</u>	<u>608</u>

(a) Directors’ emoluments

The remuneration of each director paid/payable for each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026 are set out below:

Name of directors	Fees	Salaries	Discretionary bonuses	Allowance and benefits in kind	Employer’s contribution to a retirement benefit scheme	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended						
31 December 2024						
<i>Executive director</i>						
Mr. Chan Muk Hing	—	1,200	150	36	—	1,386
Mr. Ng Kam Shing	—	—	—	—	—	—
Total	<u>—</u>	<u>1,200</u>	<u>150</u>	<u>36</u>	<u>—</u>	<u>1,386</u>

Name of directors	Fees	Salaries	Discretionary bonuses	Allowance and benefits in kind	Employer’s contribution to a retirement benefit scheme	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Year ended						
31 December 2025						
<i>Executive director</i>						
Mr. Chan Muk Hing	—	1,200	150	96	—	1,446
Mr. Ng Kam Shing	—	—	—	—	—	—
<i>Non-executive director</i>						
Mr. Wong Pui Tak	—	—	—	—	—	—
Total	<u>—</u>	<u>1,200</u>	<u>150</u>	<u>96</u>	<u>—</u>	<u>1,446</u>

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Name of directors	Fees	Salaries	Discretionary bonuses	Allowance and benefits in kind	Employer’s contribution to a retirement benefit scheme	Total
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
(Unaudited)						
For the five months ended						
31 May 2025						
<i>Executive director</i>						
Mr. Chan Muk Hing	—	500	42	40	—	582
Mr. Ng Kam Shing	—	—	—	—	—	—
<i>Non-executive director</i>						
Mr. Wong Pui Tak	—	—	—	—	—	—
Total	—	500	42	40	—	582

Name of directors	Fees	Salaries	Discretionary bonuses	Allowance and benefits in kind	Employer’s contribution to a retirement benefit scheme	Total
	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
For the five months ended						
31 May 2026						
<i>Executive director</i>						
Mr. Chan Muk Hing	—	515	43	50	—	608
Mr. Ng Kam Shing	—	—	—	—	—	—
<i>Non-executive director</i>						
Mr. Wong Pui Tak	—	—	—	—	—	—
Total	—	515	43	50	—	608

Notes:

- (i) Mr. Chan Muk Hing and Mr. Ng Kam Shing were appointed as the executive directors of the Company on 12 August 2026.
- (ii) Mr. Wong Pui Tak joined the Group on 22 April 2025 and was appointed as a non-executive director of the Company on 12 August 2026.
- (iii) Ms. Chan Ching Man was appointed as a non-executive director of the Company on 17 August 2026. During the Track Record Period, she has not yet been appointed and did not receive directors’ remuneration in the capacity of non-executive director. She has not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the Track Record Period.
- (iv) Mr. Ma Ving Lung, Mr. Choy Wong Hoi Peter and Mr. Coe Harvey were appointed as the independent non-executive directors of the Company on 17 August 2026. During the Track Record Period, the independent non-executive directors have not yet been appointed and did not receive directors’ remuneration in the capacity of independent non-executive directors. All of these individuals have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the Track Record Period.

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The remunerations shown above represent remunerations received from the Operating Entity by these directors in their capacity as employees to the Operating Entity and no directors waived any emoluments during each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026.

(b) Directors’ termination benefits

No payment was made to the directors as compensation for the early termination of the appointment during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026.

(c) Consideration provided to third parties for making available directors’ services

No payment was made to the former employer of the directors for making available the services of them as a director of the Company during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026.

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors.

No loans, quasi-loans and other dealings in favour of any directors, controlled bodies corporate by and connected entities with any directors during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026.

(e) Directors’ material interests in transactions, arrangements or contracts

Save as disclosed in Note 25, no significant transactions, arrangements or contracts in relation to the Group’s business to which the Company were a party and in which the directors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026.

(f) Five highest paid individuals

For each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, the 5 individuals whose emoluments were the highest in the Group include 1 director, whose emoluments were reflected in Note 9(a). The emoluments paid to the remaining 4 individuals are as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000	HK\$’000
			(Unaudited)	
Salaries and wages	2,481	2,739	1,143	1,153
Bonuses	314	348	86	90
Pension costs	72	72	30	30
Other welfare and allowances	383	501	180	248
	<u>3,250</u>	<u>3,660</u>	<u>1,439</u>	<u>1,521</u>

The emoluments of above individuals are within the following band:

	Number of individuals			
	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
			(Unaudited)	
Emolument band				
Nil to HK\$1,000,000	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

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No incentive payment for joining the Group or compensation for loss of office was paid or payable to any of the five highest paid individuals during the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026.

10 FINANCE (COSTS)/INCOME, NET

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Finance income:				
— Interest income from bank deposits	1	—	—	—
— Interest income from consideration receivable	388	335	147	123
— Unwinding interest of rental deposits	33	38	16	10
	<u>422</u>	<u>373</u>	<u>163</u>	<u>133</u>
Finance costs:				
— Interest expense on bank borrowings	(143)	—	—	—
— Interest expense on lease liabilities (<i>Note 15</i>)	(294)	(175)	(94)	(27)
— Unwinding interest of purchase payables for property, plant and equipment	—	(343)	(45)	(182)
	<u>(437)</u>	<u>(518)</u>	<u>(139)</u>	<u>(209)</u>
Finance (costs)/income, net	<u>(15)</u>	<u>(145)</u>	<u>24</u>	<u>(76)</u>

11 INCOME TAX EXPENSE

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Company and AHM are not subject to any income tax in the Cayman Islands and the British Virgin Islands.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profits during the year, except for one entity of the Group that is qualified under the two-tiered profits tax rate regime, under which the first HK\$2 million of its assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

For the corporation profit tax of Macao, the tax rate was calculated at 12% for amounts exceeding MOP600,000 and tax-free for amounts below MOP600,000.

The amount of taxation charged to the combined statements of comprehensive income represents:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Current income tax				
— Hong Kong profits tax	2,168	1,324	867	531
— Macao profits tax	127	240	103	7
Deferred income tax (<i>Note 23</i>)	283	196	(170)	295
	<u>2,578</u>	<u>1,760</u>	<u>800</u>	<u>833</u>

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The taxation on the Group’s profit before income tax differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Profit before income tax	15,910	11,080	5,169	2,642
Calculated at a taxation rate of 16.5%	2,625	1,828	853	435
Effect of different taxation rates in other territories	(19)	(39)	(49)	(50)
Income not subject to tax	(11)	(325)	(29)	(107)
Expenses not deductible for tax purpose	367	369	55	585
Utilisation of tax loss previously not recognised	(314)	—	—	—
Tax concession	(70)	(73)	(30)	(30)
	<u>2,578</u>	<u>1,760</u>	<u>800</u>	<u>833</u>

12 EARNINGS PER SHARE

No earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful due to the Reorganisation and the preparation of the results for the Track Record Period on a combined basis as disclosed in Note 1.3.

13 DIVIDEND

No dividend has been paid or declared by the Company since its incorporation.

Dividends during the Track Record Period represented dividends declared by the Operating Entity to the then owners for each of the respective years/periods, after elimination of intra-group dividends.

The rates for dividend and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this report.

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14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Stage lighting and sound equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024					
Cost	580	380	877	66,119	67,956
Accumulated depreciation	(580)	(374)	(877)	(43,253)	(45,084)
Net book amount	—	6	—	22,866	22,872
Year ended 31 December 2024					
Opening net book amount	—	6	—	22,866	22,872
Additions	3,246	162	—	7,975	11,383
Depreciation charge (Note 7)	(578)	(16)	—	(5,244)	(5,838)
Closing net book amount	2,668	152	—	25,597	28,417
At 31 December 2024 and 1 January 2025					
Cost	3,246	493	877	74,094	78,710
Accumulated depreciation	(578)	(341)	(877)	(48,497)	(50,293)
Net book amount	2,668	152	—	25,597	28,417
Year ended 31 December 2025					
Opening net book amount	2,668	152	—	25,597	28,417
Additions	—	25	—	20,160	20,185
Depreciation charge (Note 7)	(811)	(46)	—	(6,322)	(7,179)
Disposal	—	—	—	(1,315)	(1,315)
Written-off (Note 7)	—	(3)	—	(62)	(65)
Closing net book amount	1,857	128	—	38,058	40,043
At 31 December 2025					
Cost	3,246	514	312	81,610	85,682
Accumulated depreciation	(1,389)	(386)	(312)	(43,552)	(45,639)
Net book amount	1,857	128	—	38,058	40,043
At 31 December 2025 and 1 January 2026					
Cost	3,246	514	312	81,610	85,682
Accumulated depreciation	(1,389)	(386)	(312)	(43,552)	(45,639)
Net book amount	1,857	128	—	38,058	40,043
Five months ended 31 May 2026					
Opening net book amount	1,857	128	—	38,058	40,043
Additions	—	90	—	2,458	2,548
Depreciation charge (Note 7)	(338)	(26)	—	(2,556)	(2,920)
Closing net book amount	1,519	192	—	37,960	39,671
At 31 May 2026					
Cost	3,246	604	312	84,068	88,230
Accumulated depreciation	(1,727)	(412)	(312)	(46,108)	(48,559)
Net book amount	1,519	192	—	37,960	39,671

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Depreciation charges of HK\$5,244,000, HK\$6,322,000, HK\$2,528,000 and HK\$2,557,000 have been included in cost of sales and HK\$594,000, HK\$857,000, HK\$356,000 and HK\$363,000 have been included in general and administrative expenses for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively.

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the combined statements of comprehensive income during the financial year in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their costs net of their residual values over their estimated useful lives, as follows:

Leasehold improvements	Over shorter of lease term or 4 years
Furniture, fixtures and office equipment	4 years
Motor vehicles	3–4 years
Stage lighting and sound equipment	3–10 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the combined statements of comprehensive income.

15 RIGHT-OF-USE ASSETS AND LEASES LIABILITIES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the combined statements of financial position

The combined statements of financial position shows the following amounts relating to leases:

	As at 31 December		As at
	2024	2025	31 May
	HK\$’000	HK\$’000	2026
			HK\$’000
Right-of-use assets			
Office	2,560	1,280	747
Warehouse	2,187	178	—
	<u>4,747</u>	<u>1,458</u>	<u>747</u>
Lease liabilities			
Current portion	3,291	1,523	853
Non-current portion	1,505	—	—
	<u>4,796</u>	<u>1,523</u>	<u>853</u>

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Movement of right-of-use assets for the year/period:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
At the beginning of the year/period	—	4,747	1,458
Additions	7,877	2	—
Modification	—	111	—
Depreciation of right-of-use assets (<i>Note 7</i>)	(3,130)	(3,402)	(711)
At the end of the year/period	4,747	1,458	747

(ii) Amounts recognised in the combined statements of comprehensive income

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Depreciation of right-of-use assets (<i>Note 7</i>):				
— Cost of sales	1,850	2,122	879	177
— General and administrative expenses	1,280	1,280	533	534
	3,130	3,402	1,412	711
Interest expenses on lease liabilities (<i>Note 10</i>)	294	175	94	27
Loss on lease modification (<i>Note 6</i>)	—	99	99	—
Rental expenses for stage lighting and sound engineering equipment relating to short-term leases (included in cost of sales) (<i>Note 7</i>)	54,478	56,940	19,042	12,712
Other expenses relating to short-term leases (included in cost of sales) (<i>Note 7</i>)	1,268	531	221	1,028

During the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, the total cash outflows for leases including payments of short-term leases, lease liabilities and payments of interest expenses on leases were approximately HK\$59,031,000, HK\$61,129,000, HK\$20,646,000 and HK\$14,437,000 respectively.

(iii) The Group’s leasing activities and how these are accounted for

The right-of-use assets represent the Group’s rights to use the underlying leased premises for office and warehouse over the lease terms from 2 to 3 years. They are stated at cost less accumulated depreciation and accumulated impairment losses.

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Such determination is made on an evaluation of the substance of the arrangement, regardless of whether the arrangements take the legal form of a lease.

Leases are initially recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset’s estimated useful life and the lease term.

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Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option; and
- lease payments to be made under reasonably certain extension options are also included in the measurement of lease liabilities.

The lease payments are discounted using the interest rate implicit in the lease, if that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date, less any lease incentive received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less.

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16 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Assets as per combined statements of financial position			
Financial assets measured at amortised cost			
— Trade receivables (<i>Note 18</i>)	14,639	35,154	27,190
— Other receivables and deposits (excluding non-financial assets) (<i>Note 18</i>)	10,563	7,849	7,505
— Amount due from a related company (<i>Note 25</i>)	—	—	8
— Cash and cash equivalents (<i>Note 19</i>)	8,794	22,959	7,424
	<u>33,996</u>	<u>65,962</u>	<u>42,127</u>
Financial asset at fair value through other comprehensive income (<i>Note 17</i>)	<u>11</u>	<u>13</u>	<u>16</u>
Liabilities as per combined statements of financial position			
Financial liabilities measured at amortised cost			
— Trade payables (<i>Note 22</i>)	14,913	39,794	19,073
— Accruals and other payables (excluding non-financial liabilities) (<i>Note 22</i>)	1,196	11,727	10,902
— Amount due to an intermediate holding company (<i>Note 25</i>)	47	47	47
— Amount due to an immediate holding company (<i>Note 25</i>)	17,189	17,185	—
— Amounts due to related companies (<i>Note 25</i>)	2,550	2,492	—
	<u>35,895</u>	<u>71,245</u>	<u>30,022</u>

17 FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial asset at fair value through other comprehensive income include the following:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Listed investment denominated in HK\$			
— Market value of listed equity securities	<u>11</u>	<u>13</u>	<u>16</u>

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18 TRADE AND OTHER RECEIVABLES

(a) Trade receivables

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Trade receivables	14,836	40,897	33,127
Less: provision for loss allowances (<i>Note 3.1(b)</i>)	(197)	(5,743)	(5,937)
Trade receivables, net	<u>14,639</u>	<u>35,154</u>	<u>27,190</u>

The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Less than 31 days	7,451	25,390	15,910
31–60 days	2,092	4,198	5,596
61–90 days	2,412	3,782	417
91–180 days	2,265	2,680	2,988
181–365 days	598	4,303	5,723
Over 365 days	18	544	2,493
	<u>14,836</u>	<u>40,897</u>	<u>33,127</u>

As at 31 December 2024 and 2025 and 31 May 2026, the credit terms provided to customers are mainly 30 days. The Group’s trade receivables are denominated in HK\$.

(b) Other receivables, deposits and prepayments

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Prepayments	161	202	121
Prepaid for [REDACTED]	—	—	[REDACTED]
Other receivables	55	85	85
Consideration receivable (<i>Note</i>)	23,267	19,824	18,839
Rental deposits	681	753	763
Other deposits	<u>276</u>	<u>39</u>	<u>32</u>
	24,440	20,903	21,569
Less: provision for loss allowance (<i>Note 3.1(b)</i>)	<u>(13,716)</u>	<u>(12,852)</u>	<u>(12,214)</u>
	10,724	8,051	9,355
Less: non-current portion			
— Rental deposits	(681)	—	—
— Consideration receivable	<u>(9,551)</u>	<u>(6,972)</u>	<u>(6,625)</u>
Current portion	<u>492</u>	<u>1,079</u>	<u>2,730</u>

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Note:

In 2020, AHM entered into a share sale and purchase agreement with Mr. Lam Kong Ming (“Mr. Lam”), an independent third party, for the disposal of its 91% equity interest in a subsidiary, which was primarily engaged in, among others, stage production and provision of ancillary engineering services in Macao, together with the assignment of a shareholder’s loan, for an aggregate consideration of HK\$30,000,000. Upon completion of the disposal in January 2021, AHM ceased to own any equity interest in such subsidiary.

As Mr. Lam failed to repay the outstanding balance in accordance with the original terms, AHM and Mr. Lam entered into a new settlement agreement on 28 August 2024. Pursuant to the new agreement, the outstanding balance is repayable in 65 monthly instalments, bears interest at 4.5% per annum and matures by 31 December 2029. In accordance with the agreed terms, the outstanding balances can also be settled by way of set-off against the trade payable balances due to certain subcontractors.

The movement of the related consideration receivable is set out below:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
At the beginning of the year/period	24,564	23,267	19,824
Settlement by trade payables (<i>Note 3.4</i>)	(2,164)	(4,250)	(1,250)
Interest income	388	335	123
Previously unrecognised interest income	479	472	142
At the end of the year/period	23,267	19,824	18,839
Less: loss allowance (<i>Note 3.1(b)</i>)	(13,716)	(12,852)	(12,214)
	9,551	6,972	6,625

19 CASH AND CASH EQUIVALENTS

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Cash at banks and on hand			
— Cash at banks	8,794	22,937	7,424
— Cash on hand	—	22	—
	8,794	22,959	7,424
Maximum exposure to credit risk	8,794	22,937	7,424

During the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, cash at banks earn interest at floating rates based on daily bank deposit rates of ranging from 0.01% to 0.08% per annum.

All cash and cash equivalents are denominated in HK\$.

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20 COMBINED CAPITAL

	Number of ordinary shares	
	’000	HK\$’000
Issued and fully paid:		
As at 1 January 2024, 31 December 2024, 31 May 2025 and 31 December 2025	10	10
Capitalization (<i>Note</i>)	10	17,185
	<u>20</u>	<u>17,185</u>
As at 31 May 2026	<u>20</u>	<u>17,195</u>

Note:

On 30 April 2026, pursuant to written resolutions of the Operating Entity, the shareholder’s loan owing by the Operating Entity to the immediate holding company, in the amount of approximately HK\$17,185,000 was capitalised through the issue and allotment of 10,000 new ordinary shares of the Operating Entity.

21 PROVISION FOR LONG SERVICE PAYMENTS

The Group provides long service payments for its employees in respect of long service payments on cessation of employment in certain circumstances under the Hong Kong Employment Ordinance.

Such provision for long service payment obligation was valued by Vincorn Consulting and Appraisal Limited, an independent qualified actuary, using the projected unit credit method.

The liability recognised in the combined statements of financial position is determined as follows:

	As at 31 December	As at 31 May
	2024	2025
	HK\$’000	HK\$’000
Provision for long service payments	839	950
	<u>839</u>	<u>950</u>
Remeasurement on plan liabilities	69	(49)
	<u>69</u>	<u>(49)</u>

Movements in the liability recognised in the combined statements of financial position are as follows:

	As at 31 December	As at 31 May
	2024	2025
	HK\$’000	HK\$’000
Beginning of the year/period	848	839
Current staff cost	29	32
Interest cost	31	30
Remeasurement on plan liabilities		
— Change in demographic assumptions	—	7
— Change in financial assumptions	(31)	(17)
— Experience adjustments	(38)	(107)
	<u>839</u>	<u>950</u>
End of the year/period	<u>839</u>	<u>950</u>

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Amounts recognised in the combined statements of comprehensive income are as follows:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Current staff cost	29	32	13	12
Interest cost	31	30	13	12
	<u>60</u>	<u>62</u>	<u>26</u>	<u>24</u>

During the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, HK\$39,000, HK\$39,000, HK\$15,000 and HK\$14,000 have been included in general and administrative expense, and HK\$21,000, HK\$23,000, HK\$11,000 and HK\$10,000 have been included in costs of sales, respectively.

The principal actuarial assumptions used are as follows:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Discount rate	3.7%	3.1%	3.3%
Expected rate of future salary increases	5.0%	5.0%	5.0%
Investment return on MPF balances	4.9%	4.9%	4.9%
Turnover rate	<u>11.7%</u>	<u>11.7%</u>	<u>10.1%</u>

The remeasurement of provision of long service payments recognised in the combined statements of comprehensive income was a gain of HK\$69,000, a loss of HK\$49,000, a loss of HK\$20,000 and a gain of HK\$117,000 for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026, respectively.

22 TRADE AND OTHER PAYABLES

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Trade payables	<u>14,913</u>	<u>39,794</u>	<u>19,073</u>
Accruals and other payables			
— Accrued staff cost	1,646	1,821	1,457
— Accrued expenses	654	1,240	1,237
— Accrued [REDACTED]	—	—	[REDACTED]
— Purchase payables for property, plant and equipment	<u>542</u>	<u>10,487</u>	<u>9,226</u>
	2,842	13,548	12,359
Less: non-current portion			
— Purchase payables for property, plant and equipment	<u>—</u>	<u>(5,566)</u>	<u>(3,760)</u>
Current portion	<u>2,842</u>	<u>7,982</u>	<u>8,599</u>

As at 31 December 2024 and 2025 and 31 May 2026, the trade payables, accruals and other payables are mainly denominated in HK\$ and the carrying amounts approximate their fair values.

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The ageing analysis of the trade payables based on invoice date is as follows:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Less than 31 days	7,856	18,625	8,237
31–60 days	1,754	10,418	3,911
61–90 days	1,026	4,069	1,084
91–180 days	1,914	2,471	3,228
181–365 days	155	1,555	1,753
Over 365 days	2,208	2,656	860
	<u>14,913</u>	<u>39,794</u>	<u>19,073</u>

23 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax recoverable against current income tax liabilities and when the deferred income tax assets and liabilities relate to income tax levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$’000	HK\$’000	HK\$’000
Deferred income tax liabilities	<u>2,873</u>	<u>3,069</u>	<u>3,364</u>

The net movement on the deferred income tax (assets)/liabilities account is as follows:

	HK\$’000
At 1 January 2024	2,590
Charged to the combined statements of comprehensive income	<u>283</u>
At 31 December 2024 and 1 January 2025	2,873
Charged to the combined statements of comprehensive income	<u>196</u>
At 31 December 2025 and 1 January 2026	3,069
Charged to the combined statements of comprehensive income	<u>295</u>
At 31 May 2026	<u>3,364</u>

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The nature of items giving rise to deferred tax assets and their respective movements during the year without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

	<u>Provision for loss allowance</u> HK\$’000
At 1 January 2024	4
Credited to the combined statements of comprehensive income	<u>28</u>
At 31 December 2024 and 1 January 2025	32
Credited to the combined statements of comprehensive income	<u>241</u>
At 31 December 2025 and 1 January 2026	273
Credited to the combined statements of comprehensive income	<u>32</u>
At 31 May 2026	<u><u>305</u></u>

The nature of items giving rise to deferred tax liabilities and their respective movements during the year without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows:

	<u>Accelerated tax depreciation</u> HK\$’000
At 1 January 2024	2,594
Charged to the combined statements of comprehensive income	<u>311</u>
At 31 December 2024 and 1 January 2025	2,905
Charged to the combined statements of comprehensive income	<u>437</u>
At 31 December 2025 and 1 January 2026	3,342
Charged to the combined statements of comprehensive income	<u>327</u>
At 31 May 2026	<u><u>3,669</u></u>

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24 CASH FLOWS INFORMATION

(a) Cash generated from operations:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Profit before income tax	15,910	11,080	5,169	2,642
Adjustments for:				
Depreciation of property, plant and equipment	5,838	7,179	2,884	2,920
Depreciation of right-of-use assets	3,130	3,402	1,412	711
Provision for impairment loss on trade receivables	174	5,546	685	194
(Reversal of)/provision for impairment loss on other receivables	(367)	(1,337)	168	(780)
Provision for long service payments	60	62	26	24
Written-off of property, plant and equipment	—	65	—	—
Gain on disposal of property, plant and equipment	—	(1,254)	—	—
Loss on lease modification	—	99	99	—
Finance income	(422)	(373)	(163)	(133)
Finance costs	437	518	139	209
Operating profit before changes in working capital	24,760	24,987	10,419	5,787
Changes in working capital:				
Decrease/(increase) in trade receivables	3,362	(26,061)	(12,639)	7,770
Decrease/(increase) in other receivables, deposits and prepayments	554	131	1,519	(509)
Increase/(decrease) in amount due with related companies	550	(58)	551	(500)
(Decrease)/increase in trade payables	(4,191)	29,131	12,335	(19,471)
Increase in accruals and other payables	912	761	37	72
(Decrease)/increase in contract liabilities	(10,533)	494	(106)	(864)
Net cash generated from/(used in) operations	15,414	29,385	12,116	(7,715)

(b) In the combined statements of cash flows, proceeds from disposal of property, plant and equipment comprise:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$’000	HK\$’000	HK\$’000 (Unaudited)	HK\$’000
Net book amount (<i>Note 14</i>)	—	1,315	—	—
Gain on disposal of property, plant and equipment (<i>Note 6</i>)	—	1,254	—	—
Proceeds from disposal of property, plant and equipment	—	2,569	—	—

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(c) Net debt/(cash) reconciliation

The movements of liabilities from financing activities for each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026:

	Cash and cash equivalents	Borrowings	Lease liabilities	Amount due to an immediate holding company	Amount due to an intermediate holding company	Amounts due to related companies	Purchase payables of property, plant and equipment	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2024	(10,949)	1,265	—	17,189	47	2,000	702	10,254
Cash flows	2,155	(1,408)	(3,285)	—	—	—	(702)	(3,240)
Non-cash movements:								
Interest expenses	—	143	294	—	—	—	—	437
Addition of lease	—	—	7,787	—	—	—	—	7,787
Addition of property, plant and equipment	—	—	—	—	—	—	542	542
As at 31 December 2024	<u>(8,794)</u>	<u>—</u>	<u>4,796</u>	<u>17,189</u>	<u>47</u>	<u>2,000</u>	<u>542</u>	<u>15,780</u>
As at 1 January 2025	(8,794)	—	4,796	17,189	47	2,000	542	15,780
Cash flows	(14,165)	—	(3,658)	(4)	—	—	(542)	(18,369)
Non-cash movements:								
Interest expenses	—	—	175	—	—	—	343	518
Lease modification	—	—	210	—	—	—	—	210
Addition of property, plant and equipment	—	—	—	—	—	—	10,144	10,144
As at 31 December 2025	<u>(22,959)</u>	<u>—</u>	<u>1,523</u>	<u>17,185</u>	<u>47</u>	<u>2,000</u>	<u>10,487</u>	<u>8,283</u>
(Unaudited) As at 1 January 2025	(8,794)	—	4,796	17,189	47	2,000	542	15,780
Cash flows	(5,485)	—	(1,383)	—	—	—	(542)	(7,410)
Non-cash movements:								
Interest expenses	—	—	94	—	—	—	45	139
Lease modification	—	—	210	—	—	—	—	210
Addition of property, plant and equipment	—	—	—	—	—	—	11,297	11,297
As at 31 May 2025	<u>(14,279)</u>	<u>—</u>	<u>3,717</u>	<u>17,189</u>	<u>47</u>	<u>2,000</u>	<u>11,342</u>	<u>20,016</u>
As at 1 January 2026	(22,959)	—	1,523	17,185	47	2,000	10,487	(8,283)
Cash flows	15,535	—	(697)	—	—	(2,000)	(2,575)	10,263
Non-cash movements:								
Interest expenses	—	—	27	—	—	—	182	209
Loan capitalisation	—	—	—	(17,185)	—	—	—	(17,185)
Addition of property, plant and equipment	—	—	—	—	—	—	1,132	1,132
As at 31 May 2026	<u>(7,424)</u>	<u>—</u>	<u>853</u>	<u>—</u>	<u>47</u>	<u>—</u>	<u>9,226</u>	<u>2,702</u>

(d) Major non-cash transaction

As at 31 May 2026, pursuant to the agreement reached between the related party and the Operating Entity, both parties agreed to capitalise the amount due to an immediate holding company of HK\$17,185,000 through the allotment and issue of ordinary shares.

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25 RELATED PARTY TRANSACTIONS

Parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

- (a) The directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the years:

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Mr. Chan Muk Hing	Substantial shareholder, executive director and co-chief executive officer
Mr. Ng Kam Shing	Controlling shareholder, executive director, Chairman and co-chief executive officer
168 Production & Engineering Services Limited	Controlled by a close family member of Mr. Chan Muk Hing
Architectural Project Unit Limited	Controlled by Mr. Ng Kam Shing
Colour Tone Group Limited	The immediate holding company
DeMain Culture Engineering Limited	Controlled by Mr. Ng Kam Shing
DeMain Culture Entertainment Limited	Controlled by Mr. Ng Kam Shing
DeMain Culture Management Limited	Controlled by Mr. Ng Kam Shing
DeMain Culture Media Holdings Limited	The intermediate holding company
Hip Hing Loong Stage Engineering Company Limited	A company commonly controlled by Mr. Ng Kam Shing

- (b) The following transactions were carried out with related parties:

	<u>Year ended 31 December</u>		<u>Five months ended 31 May</u>	
	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
			(Unaudited)	
168 Production & Engineering Services Limited				
— Revenue from provision of lighting and sound engineering	2,683	2,868	1,563	1,968
— Rental income	64	96	40	40
— Subcontracting fee	(1,410)	(2,118)	(2,063)	—
— Management service charge	(174)	(318)	(309)	—
Architectural Project Unit Limited				
— Management service charge	(376)	(408)	(250)	—
DeMain Culture Engineering Limited				
— Revenue from provision of lighting and sound engineering	—	3,230	320	—
— Subcontracting fee	—	(25)	(25)	—
DeMain Culture Entertainment Limited				
— Revenue from provision of lighting and sound engineering	276	—	—	—
DeMain Culture Management Limited				
— Revenue from advisory service income	—	—	—	1,400

The transactions were conducted in the normal course of business and in accordance with the terms and pricing agreed between the Group and the related parties.

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(c) Key management compensation

Key management includes the executive directors of the Company. The compensation paid or payable to key management for employee services is disclosed in Note 9.

(d) Trade receivables, trade payables, amounts due from/(to) immediate holding company, intermediate holding company and related companies

As at 31 December 2024 and 2025 and 31 May 2026, the Group had the following significant balances with the related parties:

	As at 31 December		As at 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Trade nature			
Trade receivables			
— 168 Production & Engineering Services Limited	1,550	2,078	2,760
— DeMain Culture Engineering Limited	—	1,230	1,230
— DeMain Culture Entertainment Limited	276	—	—
— DeMain Culture Management Limited	—	—	1,400
	<u>1,825</u>	<u>3,308</u>	<u>4,190</u>
Trade payables			
— 168 Production & Engineering Services Limited	18	—	—
— DeMain Culture Engineering Limited	—	25	25
— Hip Hing Loong Stage Engineering Company Limited	1,825	1,825	—
	<u>1,843</u>	<u>1,850</u>	<u>25</u>
Non-trade nature			
Amount due to an intermediate holding company			
— DeMain Culture Media Holdings Limited	(47)	(47)	(47)
	<u>(47)</u>	<u>(47)</u>	<u>(47)</u>
Amount due to an immediate holding company			
— Colour Tone Group Limited	(17,189)	(17,185)	—
	<u>(17,189)</u>	<u>(17,185)</u>	<u>—</u>
Amounts due from/(to) related companies			
— 168 Production & Engineering Services Limited	(174)	(492)	8
— Architectural Project Unit Limited	(376)	—	—
— Hip Hing Loong Stage Engineering Company Limited	(2,000)	(2,000)	—
	<u>(2,550)</u>	<u>(2,492)</u>	<u>8</u>

As at 31 December 2024 and 2025 and 31 May 2026, the balances with intermediate holding company, immediate holding company and related companies are unsecured, interest-free and repayable on demand and approximated their fair values except for trade balances with credit term of 30 days.

As at 31 December 2024 and 2025 and 31 May 2026, the balances with intermediate holding company, immediate holding company and related companies are denominated in HK\$.

26 COMMITMENT AND CONTINGENCY

The Group did not have any material commitment and contingency as at 31 December 2024 and 2025 and 31 May 2026.

27 SUBSEQUENT EVENTS

There was no material subsequent event took place after 31 May 2026.

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28 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

28.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are combined from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

28.2 Impairment of non-financial assets

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

28.3 Investments and other financial assets

(a) *Classification*

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to present subsequent changes in fair value in other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) *Measurement*

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in profit or loss.

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Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method applied to the gross carrying amount of the financial asset, unless the asset has become credit-impaired, in which case the effective interest rate is applied to the amortised cost of the asset.

The amount of the subsequent change in lifetime expected credit losses of credit-impaired financial assets, including previously unrecognised interest income is recognised in profit or loss as an impairment gain or loss.

Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in “other gain/(loss), net” together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

(c) *Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For other financial assets at amortised cost, including other receivables and deposits, management considers that their credit risks have not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

28.4 Financial liabilities

(a) *Recognition and measurement*

Financial liabilities are classified as financial liabilities at amortised cost. Financial liabilities at amortised cost are recognised initially at fair value net of transaction costs incurred and subsequently stated at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the combined statements of comprehensive income over the period of the financial liabilities using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(b) *Derecognition*

Financial liabilities are classified as financial liabilities at amortised cost. Financial liabilities at amortised cost are recognised initially at fair value net of transaction costs incurred and subsequently stated at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the combined statements of comprehensive income over the period of the financial liabilities using the effective interest method.

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Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

28.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

28.6 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash in hand and deposits held at call with banks.

28.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

28.8 Trade and other payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

28.9 Current and deferred income tax

The income tax expense or credit for the year/period is the tax payable on the current year’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) *Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) *Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the combined financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

28.10 Employee benefits

(a) *Pension obligations*

The Group participates in various defined contribution retirement benefit plans which are available to all relevant employees. These plans are generally funded through payments to schemes established by government or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefit relating to employee service in the current and prior periods.

Employees of the Group in Hong Kong are required to participate in a defined contribution scheme as defined in Mandatory Provident Fund Scheme (“MPF Scheme”). The assets of the MPF Scheme are held separately from those of the Group under independently administered funds.

Under the MPF Scheme, each of the Group and its employees makes monthly contributions to the scheme at 5% of the employee’s relevant income, as defined in the Mandatory Provident Fund Scheme Ordinance. Both the Group’s and the employee’s contributions are subjected to a cap of HK\$1,500 per month, with contributions beyond these amounts being voluntary. The contributions are fully and immediately vested to the employees.

(b) *Bonus*

The Group recognises a liability and an expense for bonuses when the Group has a contractual or constructive obligation as a result of services rendered by employees and a reliable estimate of such obligation can be made.

(c) *Long service payments*

The Group’s employees in Hong Kong who have completed the required number of years of services to the Group are eligible for long service payments under the Hong Kong Employment Ordinance in the event of the termination of their employment, provided that such termination meets the circumstances specified in the Hong Kong Employment Ordinance.

A provision is recognised in respect of the probable future long service payments expected to be made. The provision is based on the best estimate of the probable future payments which have been earned by the employees from their services to the Group up to the reporting date.

28.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

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28.12 Interest income

Interest income is recognised using the effective interest method.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

28.13 Dividend distribution

Dividend distribution to the shareholders of the Company or the companies now comprising the Group is recognised as a liability in the combined financial statements in the period in which the dividends are approved by the shareholders or directors, where appropriate.

Dividend proposed or declared after the reporting year but before the financial statements are authorised for issue are disclosed as a non-adjusting event and are not recognised as a liability at the reporting date.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to 31 May 2026 and up to the date of this report.

IV HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

As at 31 May 2026, the Company had not been incorporated and, accordingly, it had no assets, liabilities or distributable reserves as at that date.