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Application Proof of
AHM Holdings Limited
興明亞洲控股有限公司

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

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AHM Holdings Limited

興明亞洲控股有限公司

(Incorporated in the Cayman Islands with limited liability)

**[REDACTED] ON GEM OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF [REDACTED]**

Total Number of [REDACTED] under the [REDACTED] : [REDACTED] Shares
Number of [REDACTED] : [REDACTED] Shares (subject to reallocation)
Number of [REDACTED] : [REDACTED] Shares (subject to reallocation)
[REDACTED] : HK\$[REDACTED] per [REDACTED], plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)
Nominal value : HK\$0.01 per Share
Stock code : [●]

Joint Sponsors

SUNWAH KINGSWAY
新華滙富
Kingsway Capital Limited

 **红日资本有限公司**
RED SUN CAPITAL LIMITED
Red Sun Capital Limited

[REDACTED]

[REDACTED] and [REDACTED]

[LOGO]

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Investors applying for the [REDACTED] may be required to pay, on application (subject to application channels), the [REDACTED] of HK\$[REDACTED] for each [REDACTED] together with brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%. The [REDACTED] (for and on behalf of the [REDACTED]) may, with the consent of our Company, reduce the number of [REDACTED] being [REDACTED] under the [REDACTED] and/or the [REDACTED] below that stated in this document at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such a case, notices of such reduction will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.ahmhk.com as soon as practicable but in any event not later than the morning of the last day for lodging applications under the [REDACTED]. See “Structure and conditions of the [REDACTED]” and “How to apply for the [REDACTED]” in this document.

Prior to making an investment decision, prospective investors should carefully consider all of the information set out in this document, in particular, the risk factors set out in the section headed “Risk factors” in this document.

Pursuant to the termination provisions contained in the [REDACTED], the [REDACTED] (for and on behalf of the [REDACTED]) have the right in certain circumstances, in its absolute discretion, to terminate the obligations of the [REDACTED] pursuant to the [REDACTED] at any time prior to 8:00 a.m. on the [REDACTED]. Further details of the terms of the termination provisions are set out in the section headed “[REDACTED] — [REDACTED] arrangements and expenses — [REDACTED] — Grounds for termination” in this document. It is important that you refer to that section for further details.

The [REDACTED] have not been and will not be registered under the [REDACTED] or any state securities law in the United States and may not be [REDACTED], sold, pledged or transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the [REDACTED]. The [REDACTED] may be [REDACTED], sold or delivered outside the United States in offshore transactions in accordance with [REDACTED].

[REDACTED]

[REDACTED]

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IMPORTANT

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IMPORTANT

[REDACTED]

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

EXPECTED TIMETABLE

[REDACTED]

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IMPORTANT NOTICE TO INVESTORS

This document is issued by our Company solely in connection with the [REDACTED] and does not constitute an [REDACTED] to sell or a solicitation of an [REDACTED] to buy any security other than the [REDACTED] [REDACTED] by this document pursuant to the [REDACTED]. This document may not be used for the purpose of, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a [REDACTED] of the [REDACTED] or the distribution of this document in any jurisdiction other than Hong Kong. The distribution of this document and the [REDACTED] and sale of the [REDACTED] in other jurisdiction are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdiction pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this document to make your investment decision. Our Company, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED] and the [REDACTED] have not authorised anyone to provide you with information that is different from what is contained in this document.

Any information or representation not made nor contained in this document must not be relied on by you as having been authorised by our Company, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors, officers, employees, advisers, agents, representatives or affiliates of any of them or any other persons or parties involved in the [REDACTED].

The contents of our Company’s website at www.ahmhk.com do not form part of this document.

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SUMMARY

This summary aims to give you an overview of the information contained in this document. Since this is a summary, it does not contain all the information that may be important to you, and is qualified in its entirety by, and should be read in conjunction with the full text of this document. You should read the whole document before you decide to invest in the [REDACTED]. There are risks associated with any investment in the [REDACTED]. Some of the particular risks in investing in the [REDACTED] are set out in the section “Risk factors” in this document. You should read that section carefully before you decide to invest in the [REDACTED].

OVERVIEW

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

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

COMPETITIVE STRENGTHS

We believe the following competitive strengths have contributed to our success: (i) dedicated and experienced management team to deliver quality service with proven track record; (ii) we are an integrated stage lighting and sound engineering services provider; (iii) we have long-term business relationships with our customers and subcontractors; and (iv) we maintain comprehensive storage of high-quality lighting and sound equipment. For details, please refer to the section headed “Business — Our competitive strengths” in this document.

BUSINESS STRATEGIES

We plan to strengthen our brand as an integrated stage lighting and sound engineering services provider that delivers customised, innovative configurations for middle to high-end customers. To reinforce our market position and broaden our revenue base, we will implement the following business strategies: (i) maintain and strengthen our market position by continuing to provide innovative configurations to our customers; (ii) expand our business in Greater Bay Area; and (iii) strengthen our management and operational capabilities through savvy and expertise. For details, please refer to the section headed “Business — Our business strategies” in this document.

SUMMARY

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period, our customers were mainly production houses, entertainment companies, event organisers and event contractors located in Hong Kong. For each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025, the total revenue attributable to our five largest customers amounted to approximately HK\$87.5 million, HK\$82.8 million and HK\$31.5 million, representing approximately 58.3%, 50.6% and 63.0% of our total revenue, respectively, while the total revenue attributable to our largest customer for each of the same years/period amounted to approximately HK\$53.9 million, HK\$41.4 million and HK\$14.2 million, representing approximately 35.9%, 25.3% and 28.3% of our total revenue, respectively. To the best knowledge and belief of our Directors, all our Group’s five largest customers for each of the years/period during the Track Record Period are Independent Third Parties. For details, please refer to the section headed “Business — Our customers” in this document.

During the Track Record Period, our suppliers primarily comprised (i) lighting and sound equipment suppliers; (ii) lighting and/or sound equipment rental companies; (iii) warehousing and logistics service providers; and (iv) subcontractors providing stage engineering, LED electronic display screen and shadow illumination effects and ad hoc personnel services. For each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2025, the total cost attributable to our five largest suppliers amounted to approximately HK\$45.9 million, HK\$63.1 million and HK\$16.4 million, representing approximately 36.5%, 45.2% and 40.6% of our total cost of sales, respectively, while the total cost attributable to our largest supplier for each of the same years/period amounted to approximately HK\$14.7 million, HK\$23.7 million and HK\$7.1 million, representing approximately 11.7%, 17.0% and 17.5% of our total cost of sales, respectively. To the best knowledge and belief of our Directors, all our Group’s five largest suppliers for each of the years/period during the Track Record Period are Independent Third Parties. For details, please refer to the section headed “Business — Our suppliers” in this document.

RISK FACTORS

We believe that there are certain risks involved in our operations, many of which are beyond our control. The more significant risks relating to our business include: (i) our revenue is mainly derived from projects which are non-recurring in nature; (ii) we derive a significant portion of our revenue from the provision of stage lighting and sound engineering services; (iii) a significant portion of our revenue during the Track Record Period was derived from projects awarded by our five largest customers in each of the years/period during the Track Record Period; and (iv) we outsource certain stage engineering processes to independent subcontractors. For details, please refer to the section headed “Risk factors” in this document.

PRICING STRATEGY

Our pricing is determined on a cost plus basis and is set project by project. When preparing quotations, we make reference to our past records and, where appropriate or necessary, obtain quotations from subcontractors and suppliers, including for equipment rental, logistics and other ancillary services. We determine a markup over estimated costs project by project. The markup may vary by project, having regard to factors such as project size and complexity, lead time, risk allocation, warranty and after sales obligations, and prevailing competitive conditions. For details, please refer to the section headed “Business — Pricing strategy” in this document.

SUMMARY

COMPETITIVE LANDSCAPE

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

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

The competitive landscape features a mix of long-established local specialists and larger regional or international AV groups. Intense price pressure exists while large-scale projects are often won through demonstrated technical reliability, equipment quality, and strong relationships with venues, promoters, and event organisers. The grand opening ceremony and inaugural large-scale entertainment event of a flagship sports and leisure complex in March 2025 has intensified competition, as it has increased demand for sophisticated, large-scale technical solutions while attracting more capable players.

KEY OPERATIONAL AND FINANCIAL DATA

The following is a summary of our operational and financial information for the Track Record Period and should be read in conjunction with our financial information in the Accountant’s Report set out in Appendix I to this document.

Key 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
Revenue	150,261	163,805	64,925	50,033
Gross profit	24,664	24,162	10,297	9,549
Profit before income tax expense	15,910	11,080	5,169	2,642
Profit for the year/period				
attributable to owners of the Company	13,332	9,320	4,369	1,809
Total comprehensive income for the year/period	13,404	9,273	4,351	1,929

Revenue

Our revenue for the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2025 and 2026 were approximately HK\$150.3 million, HK\$163.8 million, HK\$64.9 million and HK\$50.0 million, respectively.

SUMMARY

Breakdown by services

The following table sets forth the breakdown of our revenue by our services for the years/periods indicated:

	For the year ended 31 December						For the five months ended 31 May					
	2024			2025			2025			2026		
	% of total revenue HK\$'000	Gross profit margin %		% of total revenue HK\$'000	Gross profit margin %		% of total revenue HK\$'000	Gross profit margin %		% of total revenue HK\$'000	Gross profit margin %	
												(Unaudited)
Provision of stage lighting and sound engineering services												
— Concert	119,630	79.6	15.5	123,652	75.5	12.3	43,273	66.7	13.9	37,379	74.7	14.6
— Ceremony	18,805	12.5	8.3	23,105	14.1	11.3	15,449	23.8	10.2	5,214	10.4	15.0
— Others	9,307	6.2	36.8	14,395	8.8	34.6	5,412	8.3	37.5	4,901	9.8	32.3
Sub-total	147,742	98.3	15.9	161,152	98.4	14.2	64,134	98.8	15.0	47,494	94.9	16.4
Others	2,519	1.7	45.1	2,653	1.6	50.4	791	1.2	83.8	2,539	5.1	68.8
Total	150,261	100.0	16.4	163,805	100.0	14.8	64,925	100.0	15.9	50,033	100.0	19.1

Our revenue decreased by approximately 22.9% from approximately HK\$64.9 million for the five months ended 31 May 2025 to approximately HK\$50.0 million for the five months ended 31 May 2026, primarily due to the decrease in our revenue generated from concert projects from approximately HK\$43.3 million for the five months ended 31 May 2025 to approximately HK\$37.4 million for the five months ended 31 May 2026 and the decrease in our revenue generated from ceremony projects from approximately HK\$15.4 million for the five months ended 31 May 2025 to approximately HK\$5.2 million for the five months ended 31 May 2026. Such decrease was mainly attributable to a decreased number of concert and ceremony projects undertaken by our Group with contract sum over HK\$1.0 million. In particular, we participated in the grand opening ceremony and inaugural large-scale entertainment event of a flagship sports and leisure complex in March 2025. Our revenue increased from approximately HK\$150.3 million for the year ended 31 December 2024 to approximately HK\$163.8 million for the year ended 31 December 2025, primarily due to the increase in revenue generated from concert and ceremony projects, owing to the increased number of concert and ceremony projects with contract sum over HK\$1.0 million undertaken by our Group.

SUMMARY

Key combined statements of financial position

	As of 31 December		As of 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Total current assets	23,925	59,192	37,352
Total current liabilities	42,680	72,385	31,608
Net current (liabilities)/assets	(18,755)	(13,193)	5,744
Total non-current assets	43,407	48,486	47,059
Total non-current liabilities	5,217	9,585	7,981
Net assets	19,435	25,708	44,828

Our net current liabilities decreased from approximately HK\$18.8 million as of 31 December 2024 to HK\$13.2 million as of 31 December 2025, primarily due to the increase in trade receivables of approximately HK\$20.5 million, the increase in cash and cash equivalents of approximately HK\$14.2 million, which were partially offset by the increase in trade payables of approximately HK\$24.9 million and the increase in accruals and other payables of approximately HK\$5.1 million.

We recorded net current assets position of approximately HK\$5.7 million as of 31 May 2026, primarily due to the capitalisation of outstanding balance of amount due to an immediate holding company of approximately HK\$17.2 million, the decrease in trade payables of approximately HK\$20.7 million, the decrease in amount due to related companies of approximately HK\$2.5 million, and the increase in other receivables, deposits and prepayments of approximately HK\$1.7 million, which were partially offset by the decrease in trade receivables of approximately HK\$8.0 million and the decrease in cash and cash equivalents of approximately HK\$15.5 million.

Key combined statements of cash flows

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Net cash generated from/(used in) operating activities	13,782	28,841	11,572	(7,715)
Net cash used in investing activities	(10,542)	(7,472)	(4,162)	(1,416)
Net cash generated used in financing activities	(5,395)	(7,204)	(1,925)	(6,404)
Net (decrease)/increase in cash and cash equivalents	(2,155)	14,165	5,485	(15,535)
Cash and cash equivalents at beginning of year/period	10,949	8,794	8,794	22,959
Cash and cash equivalents at the end of the year/period	8,794	22,959	14,279	7,424

SUMMARY

KEY FINANCIAL RATIOS

The following tables sets forth certain of our key financial ratios for the periods or as of the dates indicated:

	Year ended 31 December		Five months ended/As of
	2024	2025	31 May 2026
Gross profit margin	16.4%	14.8%	19.1%
Net profit margin	8.9%	5.7%	3.6%
Return on equity	68.6%	36.3%	4.0%
Return on assets	19.8%	8.7%	2.1%
Current ratio	0.6 times	0.8 times	1.2 times
Quick ratio	0.6 times	0.8 times	1.2 times
Gearing ratio	24.7%	5.9%	1.9%

For details, please refer to the section head “Financial information — Key financial ratios” in this document.

COMPLIANCE AND LEGAL PROCEEDINGS

We have been involved in a non-compliance matter in relation land use in Hong Kong and tax filing in Macao. Please refer to the section headed “Business — Compliance and legal proceedings — Non-compliance” in this document for further details.

During the Track Record Period and up to the Latest Practicable Date, there were no unresolved litigation, arbitration or administrative proceedings pending or threatened against us or any of our Directors which could have a material and adverse effect on our business, financial condition or results of operations.

CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED] and the [REDACTED], each of Giant Panda Group, Giant Panda Group Investment, DeMain Culture Group and Evergreen Bamboo will directly or indirectly hold [REDACTED]% of the issued share capital of our Company, which is directly or indirectly wholly-owned by Mr. Ng. As each of Giant Panda Group, Giant Panda Group Investment, DeMain Culture Group, Evergreen Bamboo and Mr. Ng is directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at our Company’s general meeting, each of them is regarded as our Controlling Shareholder under the GEM Listing Rules.

The Controlling Shareholders do not have any interest in a business apart from our Group’s business which competes, or may compete, directly or indirectly, with our Group’s business which requires disclosure under Rule 11.04 of the GEM Listing Rules.

For details, please refer to the section head “Relationship with our Controlling Shareholders” in this document.

CONTINUING CONNECTED TRANSACTIONS

Prior to the Listing, our Group has entered into various transactions with 168 Production and DeMain Culture Group and its affiliates during the Track Record Period for the provision of stage lighting and sound engineering services by AHM. For the years ended 31 December 2024 and 2025 and

SUMMARY

the five months ended 31 May 2026, fees charged by our Group for the relevant services provided to 168 Production was approximately HK\$2.7 million, HK\$2.9 million and HK\$2.0 million, respectively, and fees charged by our Group for the relevant services provided to DeMain Culture Group was HK\$0.3 million, HK\$3.2 million and HK\$1.4 million, respectively. These transactions will continue after the Listing and constitute continuing connected transactions (as defined under the GEM Listing Rules) of the Company. For further details, please refer to the section headed “Continuing connected transactions” in this document.

[REDACTED] AND [REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] (after deducting the [REDACTED] and [REDACTED]) and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED]. We intend to use all of the [REDACTED] from the [REDACTED] for the following purposes:

- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for acquisition of advanced lighting and sound equipment;
- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for establishment of the operating base in Guangdong Province;
- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used to recruit additional professionals to strengthen our project execution capabilities and support our business expansion; and
- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for our general working capital.

DIVIDEND

During the Track Record Period, we declared and distributed dividends of HK\$3.0 million in 2025. Our Group does not have a dividend policy or any predetermined dividend distribution ratio. The declaration of future dividends, and the amount of any dividends, will be subject to the recommendation by our Board at its discretion in accordance with our Articles of Association and will depend on a number of factors. Any declaration of final dividend by our Company shall also be subject to the approval of our Shareholders.

[REDACTED]

The total estimated [REDACTED] in connection with the [REDACTED] are approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the gross proceeds from the [REDACTED], of which approximately HK\$[REDACTED] million is directly attributable to the issue of the [REDACTED] which is expected to be accounted for as a deduction from equity upon the [REDACTED] in accordance with relevant accounting standards. The remaining estimated [REDACTED] amount to approximately HK\$[REDACTED] million, of which (i) approximately HK\$[REDACTED] million was recognised for the five months ended 31 May 2026; and [(ii) approximately HK\$[REDACTED] million is expected to be recognised as expenses from 1 June 2026 and up to the [REDACTED]]. Such total estimated [REDACTED] include (i) [REDACTED]-related expenses of approximately HK\$[REDACTED] million; (ii) fees and expenses of legal advisers and reporting accountant of approximately HK\$[REDACTED] million; and (iii) other fees and expenses of approximately HK\$[REDACTED] million. The [REDACTED] above are the current estimate for reference only and the final amount to be recognised to our consolidated statement of comprehensive income is subject to audit and the then changes in variables and assumptions.

SUMMARY

[REDACTED] STATISTICS

A total of initially [REDACTED] [REDACTED] will be made available under the [REDACTED], comprising [REDACTED] [REDACTED] (subject to reallocation) and [REDACTED] [REDACTED] (subject to reallocation).

	Based on the [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market capitalisation of our Share	HK\$[REDACTED]
[REDACTED] net tangible assets per Share	HK\$[REDACTED]

Notes:

1. The calculation of market capitalisation is based on [REDACTED] Shares expected to be in issue immediately upon completion of the [REDACTED] and the [REDACTED].
2. The [REDACTED] adjusted net tangible assets per Share was calculated after adjustments as specified in “Appendix II — [REDACTED] financial information” to this document.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGES

Save for the estimated non-recurring [REDACTED], our Directors confirmed that the financial or trading position or prospects of our Group experienced no material adverse change or event which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this document since 31 May 2026 (being the date to which the latest combined financial statements of our Group were made up) and up to the date of this document.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, the following expressions have the following meanings in this document.

“168 Production”	168 Production and Engineering Services Limited, a company incorporated in Hong Kong with limited liability and a connected person by virtue of being wholly-owned by Ms. Chan Wing Sze Vinci, the daughter of Mr. Chan
“Accountant’s Report”	the accountant’s report set out in Appendix I to this document
“AHM”	AHM Engineering Company Limited (興明亞洲工程有限公司), a company incorporated in Hong Kong with limited liability on 18 July 1996 and an indirect wholly-owned subsidiary of our Company
“AHM Group”	AHM Group Limited (興明亞洲集團有限公司), a company incorporated in the BVI with limited liability on 17 August 2026 and is directly wholly-owned subsidiary of our Company
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company conditionally approved by the written resolutions of the Shareholders on [date] with effect from the date of [REDACTED], a summary of which is set out in Appendix III to this document, and as amended from time to time
“associates”	has the meaning ascribed thereto in the GEM Listing Rules
“Board” or “Board of Directors”	our board of Directors
“Bright Prosper”	Bright Prosper Holdings Limited, a company incorporated in the BVI with limited liability on 29 April 2026, one of our Substantial Shareholders and is directly, solely and beneficially owned by Mr. Choi and a connected person of our Company
“business day(s)”	any day (other than a Saturday, and Sunday or public holidays) on which banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“CAGR(s)”	compound annual growth rate(s), representing the year-over-year growth rate of a value over a specified period of time, taking into account the effects of compounding
“[REDACTED]”	the [REDACTED] participating in the [REDACTED] and has the meaning ascribed thereto under the GEM Listing Rules

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“[REDACTED]”	the issue of Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of our Company referred to in the sub-paragraph headed “3. Written resolutions of our Shareholders passed on [date]” under the paragraph headed “A. Further information about our Company” in Appendix IV to this document
“[REDACTED]”	the Central Clearing and Settlement System established and carried on by [REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“[REDACTED]”	[REDACTED]
“Chairman”	the Chairman of our Board
“close associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Colour Tone”	Colour Tone Group Limited, a company incorporated in the BVI with limited liability on 13 October 2016
“Companies Act” or “Cayman Companies Act”	Companies Act, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance” or “Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	AHM Holdings Limited (興明亞洲控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 12 August 2026
“connected person(s)”	has the meaning given to it under the GEM Listing Rules

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules and unless the context requires otherwise, refers to the controlling shareholders of our Company, namely Mr. Ng, Evergreen Bamboo, Giant Panda Group, Giant Panda Group Investment and DeMain Culture Group
“core connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Deed of Indemnity”	the deed of indemnity dated [date] given by each of our Controlling Shareholders and Substantial Shareholders in favour of our Company, details of which are set forth in the sub-paragraph headed “1. Tax and other indemnities” under the paragraph headed “D. Other information” in Appendix IV to this document
“Deed of Non-competition”	a non-competition undertaking dated [date] given by our Controlling Shareholders and Substantial Shareholders in favour of our Company, details of which are set out in the section headed “Relationship with our Controlling Shareholders” in this document
“DeMain Culture Group”	DeMain Culture Group Holdings Limited (未來文化集團控股有限公司), a company incorporated in the BVI with limited liability on 30 October 2024, one of our Controlling Shareholders and is indirectly, solely and beneficially owned by Mr. Ng and a connected person of our Company
“Director(s)”	director(s) of our Company
“Evergreen Bamboo”	Evergreen Bamboo Holdings Limited, a company incorporated in the BVI with limited liability on 23 April 2026, one of our Controlling Shareholders and is indirectly, solely and beneficially owned by Mr. Ng and a connected person of our Company
“Extreme Conditions”	the “extreme conditions” as announced by the Hong Kong Government due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
“[REDACTED]”	“[REDACTED]”, an online platform operated by [REDACTED] that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on [REDACTED] in and settlement for all new [REDACTED] on the Stock Exchange
“Frost & Sullivan”	Frost & Sullivan Limited, a global market research and consulting company, which is an Independent Third Party

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Frost & Sullivan Report”	a commissioned market research report prepared by Frost & Sullivan, a summary of which is set forth in the section headed “Industry overview” in this document
“GDP”	gross domestic product
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“General Rules of [REDACTED]”	the terms and conditions regulating the use of [REDACTED], as may be amended or modified from time to time and where the context so permits, shall include [REDACTED] Operational Procedures
“Giant Panda Group”	Giant Panda Group Limited (大熊貓集團有限公司), a company incorporated in Hong Kong with limited liability on 12 April 2026, one of our Controlling Shareholders and is directly, solely and beneficially owned by Mr. Ng and a connected person of our Company
“Giant Panda Group Investment”	Giant Panda Group Investment Holdings Limited (大熊貓集團投資控股有限公司), a company incorporated in the BVI with limited liability on 30 October 2024, one of our Controlling Shareholders and is indirectly, solely and beneficially owned by Mr. Ng and a connected person of our Company
“Government”	the Government of Hong Kong
“Group”, “our Group”, “we” or “us”	our Company and our subsidiaries at the relevant time or, where the context otherwise requires, in respect of the period prior to our Company becoming the holding company of our present subsidiaries, our present subsidiaries and the businesses operated by such subsidiaries or their predecessors (as the case may be)
“[REDACTED]”	the application for [REDACTED] to be issued in the applicant’s own name, submitted online through the designated website at [REDACTED]
“[REDACTED]”	the [REDACTED] designated by our Company as specified on the designated website at [REDACTED]
“HK\$” or “HKD”	Hong Kong dollars and cents respectively, the lawful currency for the time being of Hong Kong
“HKFRS(s)”	HKFRS Accounting Standards (including Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA
“HKICPA”	Hong Kong Institute of Certified Public Accountants

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“[REDACTED]”	[REDACTED], a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“[REDACTED] channel”	the application for the [REDACTED] to be issued in the name of [REDACTED] and deposited directly into [REDACTED] to be credited to your or a designated [REDACTED] stock account through causing [REDACTED] to apply on your behalf, instructing your broker or custodian who is a [REDACTED] to submit an [REDACTED] application on your behalf through [REDACTED] in accordance with your instruction
“[REDACTED]”	[REDACTED] Limited, a subsidiary of Hong Kong Exchanges and Clearing Limited
“[REDACTED]”	participant(s) admitted to participate in [REDACTED] as direct clearing participant(s), general clearing participant(s) or custodian participant(s)
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong [REDACTED]”	[REDACTED]
“Independent Third Party(ies)”	an individual or a company which is independent from and not connected with (within the meaning of the GEM Listing Rules) any directors, chief executive, substantial shareholders, controlling shareholders of our Company, our subsidiaries or any of their respective associates
“[REDACTED]”	the [REDACTED] as named in the section headed “Directors and parties involved in the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] as named in the section headed “Directors and parties involved in the [REDACTED]” in this document
“[REDACTED]” or “[REDACTED]”	Kingsway Financial Services Group Limited and Red Sun Capital Limited
“Joint Sponsors”	the joint sponsors as named in the “Directors and parties involved in the [REDACTED]” section of this document
“Latest Practicable Date”	20 August 2026, being the latest practicable date prior to the date of this document for the purpose of ascertaining certain information contained in this document
“[REDACTED]”	[REDACTED] in the Shares on GEM
“[REDACTED]”	the date, expected to be on or about [REDACTED], on which our Shares are listed and from which dealings therein are permitted to take place on GEM

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“[REDACTED]”	the [REDACTED] of the Stock Exchange
“Macao”	the Macao Special Administrative Region of the PRC
“Main Board”	the stock market operated by the Stock Exchange, which excludes GEM and the options market
“Memorandum” or “Memorandum of Association”	the memorandum of association of our Company adopted upon incorporation and as amended from time to time
“MICE”	Meetings, incentives, conferences and exhibitions
“MOP”	Macao patacas, the lawful currency for the time being of Macao
“Mr. Chan”	Mr. Chan Muk Hing (陳木興), an executive Director, a co-chief executive officer of our Group and a Substantial Shareholder and a connected person of our Company
“Mr. Choi”	Mr. Choi Koon Ming (蔡冠明), a Substantial Shareholder and a connected person of our Company
“Mr. Ng”	Mr. Ng Kam Shing (吳錦勝), an executive Director, the chairman of our Board, a co-chief executive officer of our Group and a Controlling Shareholder and a connected person of our Company
“[REDACTED]”	HK\$[REDACTED] per [REDACTED] (exclusive of brokerage, SFC transaction levy, Stock Exchange trading fee payable and AFRC transaction levy thereon) at which the [REDACTED] are to be [REDACTED] for [REDACTED] pursuant to the [REDACTED], to be determined as further described in the section headed “Structure and conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] and the [REDACTED]
“[REDACTED]”	the conditional [REDACTED] of the [REDACTED] by the [REDACTED] on behalf of our Company for cash at the [REDACTED] with selected professional, institutional and/or other investors in Hong Kong as described in the section headed “Structure and conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] new Shares (subject to reallocation) initially being [REDACTED] by our Company at the [REDACTED] for [REDACTED] under the [REDACTED] subject to the terms and conditions as described in the section headed “Structure and conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] of the [REDACTED] who are expected to enter into the [REDACTED] to underwrite the [REDACTED]

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“[REDACTED]”	the conditional [REDACTED] relating to the [REDACTED] to be entered into between, amongst others, our Company, our Controlling Shareholders, our executive Directors, the Joint Sponsors, the [REDACTED], the [REDACTED] and the [REDACTED], particulars of which are summarised in the paragraph headed “[REDACTED] — [REDACTED] arrangements and expenses” in this document
“PRC” or “China”	the People’s Republic of China, which for the purpose of this document, shall exclude Hong Kong, Macao and Taiwan, the PRC
“[REDACTED]”	the [REDACTED] and [REDACTED] of the [REDACTED] for [REDACTED] by the public in Hong Kong for cash at the [REDACTED] on and subject to the terms and conditions described in the section headed “Structure and conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] new Shares (subject to reallocation) initially being [REDACTED] by our Company for [REDACTED] in the [REDACTED], as described under the section headed “Structure and conditions of the [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] of the [REDACTED] whose names are set out in the section headed “[REDACTED] — The [REDACTED]” in this document
“[REDACTED]”	the [REDACTED] dated [date] relating to the [REDACTED] entered into between, amongst others, our Company, our Controlling Shareholders, our executive Directors, the Joint Sponsors, the [REDACTED], the [REDACTED] and the [REDACTED], details of which are set forth in the paragraph headed “[REDACTED] — [REDACTED] Arrangement and Expenses — [REDACTED] — [REDACTED]” in this document
“[REDACTED]”	[REDACTED]
“Reorganisation”	refers to the reorganisation arrangement undergone by our Group in preparation for the [REDACTED] as described in the paragraph headed “Corporate Reorganisation” under the section headed “History, Reorganisation and corporate structure” in this document
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“[REDACTED]”	the [REDACTED] and the [REDACTED]

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

“Share(s)”	ordinary shares with a nominal value of HK\$0.01 each in the share capital of our Company, which are to be [REDACTED] in Hong Kong dollars and [REDACTED]
“Shareholder(s)”	holders of the Shares
“Smart Production”	Smart Production Limited, a company incorporated in the BVI with limited liability on 13 May 2026, one of our Substantial Shareholders and is directly, solely and beneficially owned by Mr. Chan and a connected person of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of our Company
“Substantial Shareholder(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the two financial years ended 31 December 2025 and the five months ended 31 May 2026
“[REDACTED]”	the [REDACTED] and the [REDACTED]
“[REDACTED]”	the [REDACTED] and the [REDACTED]
“U.S.” or “U.S.A.” or “United States”	United States of America
“U.S. dollar(s)” or “US\$” or “USD”	United States dollars, the lawful currency for the time being of the United States
“[REDACTED]”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time
“sq.ft”	square foot
“%”	per cent

Certain figures set out in this document have been subject to rounding adjustments. Accordingly, figures shown as the currency conversion or percentage equivalents may not be an arithmetic sum of such figures.

The English names of the Chinese nationals, companies, entities, departments, facilities, certificates, titles and the like are translation of their Chinese names and are included in this document for identification purpose only and should not be regarded as their official English translation. In the event of any inconsistency, the Chinese name prevails.

FORWARD-LOOKING STATEMENTS

This document contains certain forward-looking statements and information relating to us and our subsidiaries that are based on the beliefs of our management as well as assumptions made by and information currently available to our management. When used in this document, the words “aim”, “anticipate”, “believe”, “could”, “estimate”, “expect”, “going forward”, “intend”, “may”, “might”, “ought to”, “plan”, “potential”, “predict”, “project”, “seek”, “shall”, “should”, “will”, “would” and similar expressions, as they relate to our Company or our management, are intended to identify forward-looking statements. Such statements reflect the current views of our management with respect to future events, operations, liquidity and capital resources, some of which may not materialise or may change. These statements are subject to certain risks, uncertainties and assumptions, including but not limited to the risk factors as described in this document. You are strongly cautioned that reliance on any forward-looking statements involves known and unknown risks and uncertainties. The risks and uncertainties facing our Company which could affect the accuracy of forward-looking statements include, but are not limited to, the following:

- our business prospect;
- future developments, trends and conditions in the industry and markets in which we operate;
- our strategies, plans, objectives and goals;
- general economic trends and conditions;
- changes to regulatory and operating conditions in the industry and markets in which we operate;
- our ability to control costs;
- our dividend policy;
- the amount and nature of, and potential for, future development of our business;
- capital market developments;
- the actions and developments of our competitors; and
- certain statements in “Financial information” with respect to trend in prices, volumes, operations, margins, overall market trends, risk management and exchange rates.

Additional factors that could cause our actual performance or achievements to differ materially include, but are not limited to, those disclosed in the section headed “Risk factors” in this document and elsewhere in this document. We caution you not to place undue reliance on these forward-looking statements, which reflect our management’s view only as at the date of this document. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document might not occur. All forward-looking statements contained in this document are qualified by reference to the cautionary statements set out in this section.

RISK FACTORS

You should consider carefully all the information set forth in this document and, in particular, should consider the following risks and special considerations in connection with an investment in our Company before making any investment decision in relation to the [REDACTED]. The occurrence of any of the following risks may have a material adverse effect on the business, results of operations, financial conditions and future prospects of our Group. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

This document contains certain forward-looking statements regarding our plans, objectives, expectations and intentions which involve risks and uncertainties. Our Group’s actual results could differ materially from those discussed in this document. Factors that could cause or contribute to such differences include those discussed below as well as those discussed elsewhere in this document. The trading price of the [REDACTED] could fall due to any of these risks, and you may lose all or part of your investment.

We believe that there are certain risks involved in our operations, many of which are beyond our control. These risks can be broadly categorised into: (i) risks relating to our business and industry; (ii) risks relating to conducting business in Hong Kong; (iii) risks relating to the [REDACTED]; and (iv) risks relating to the statements in this document. You should consider carefully our business and prospects in light of the challenges we face, including the ones discussed in this section.

RISKS RELATING TO OUR BUSINESS AND INDUSTRY

Our revenue is mainly derived from projects which are non-recurring in nature.

During the Track Record Period, all of our revenue were made on project basis and the projects were non-recurring in nature. During the Track Record Period, majority of projects awarded to us were either granted directly by our recurring customers or referred to us by them. We do not have long-term commitments with our customers and it is probable that our major customers may vary from year to year. Accordingly, the number and scale of projects and the amount of revenue we are able to derive therefrom may vary significantly from period to period, and it may be difficult to forecast the volume of future business. Therefore, we may not be able to maintain our profit at historical levels or to an extent that is within our expectation. Our profitability may vary significantly from period to period as a result of the fluctuations in the number and scale of projects awarded to our Group. There is no guarantee that we will be able to secure new contracts from our existing or new customers. In the event that we are unable to maintain business relationships with our existing customers, our revenue and results of operations will be adversely affected.

We derive a significant portion of our revenue from the provision of stage lighting and sound engineering services. Any decrease in our sales in such service would materially and adversely affect our business, financial condition and results of operations.

During the Track Record Period, a substantial proportion of our revenue is generated from our provision of stage lighting and sound engineering services. For the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, the provision of stage lighting and sound engineering services accounted for approximately 98.3%, 98.4% and 94.9% of our total revenue, respectively. We cannot assure that the provision of stage lighting and sound engineering services would generate the revenue at a level comparable to that of the historical sales. If the market demand for stage lighting and sound engineering services decreases in the future, our business operations and financial results could be adversely affected.

RISK FACTORS

A significant portion of our revenue during the Track Record Period was derived from projects awarded by our five largest customers in each of the years/period during the Track Record Period and any significant decrease in the number of projects with our major customers may materially and adversely affect our financial performance.

A significant portion of our revenue during the Track Record Period was derived from our five largest customers in each of the years/period during the Track Record Period. Revenue from our five largest customers for each of the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026 amounted to approximately HK\$87.5 million, HK\$82.8 million and HK\$31.5 million, representing approximately 58.3%, 50.6% and 63.0% of our total revenue, respectively. In particular, our largest customer in each of the years/period during the Track Record Period contributed revenue of approximately HK\$53.9 million, HK\$41.4 million and HK\$14.2 million for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, respectively, representing approximately 35.9%, 25.3% and 28.3% of our total revenue.

Furthermore, there is also no assurance that we will be able to renew our existing or obtain new contracts from our customers. If there is a significant decrease in the number of projects awarded by our major customers, and we are unable to secure suitable projects of a comparable size and quantity as replacement from other customers, our financial conditions and operating results would be materially and adversely affected.

We are exposed to inherent operational risks, which may result in personal injuries, property damages, fatal accidents.

Due to the nature of works in work sites, risks of accidents or injuries to workers are inherent. Notwithstanding our occupational health and safety measures that are required to be followed by employees of our Group and our subcontractors, accidents leading to personal injuries, property damages and/or fatal accidents remain an inherent risk at work sites. There is no assurance that the implementation of our occupational health and safety measures or our compliance with the related statutory rules and regulations can prevent the occurrence of any material personal injuries, property damages and/or fatal accidents at our worksites in the future, which may in turn materially and adversely affect our business operations and financial position to the extent not covered by insurance policies. Also, the occurrence of any serious personal injuries or fatal accidents may lead to negative publicity, which may in turn materially and adversely affect our reputation, financial position and results of operation.

Under the Employees’ Compensation Ordinance (Chapter 282 of the laws of Hong Kong), our Group may also be liable to pay such compensation to the installation workers employed by the subcontractor if they sustain personal injuries in the course of performing the subcontracted work. Therefore, our Group is exposed to potential liability with respect to employees and the installation workers employed by the subcontractors. In the occurrence of any such accidents, our Group may be rendered liable for medical expenses, medical leave payments, payments for loss of life and property, fines, and other penalties. These would result in significant financial loss and material disruption to our Group’s business operation.

We outsource certain stage engineering processes to independent subcontractors. Any disruption to their operations could adversely affect our work schedule and in turn affect our business operations and financial results.

We engage independent subcontractors to perform stage engineering, LED electronic display screen and shadow illumination effects and ad hoc personnel services. For details, please refer to the section headed “Business — Our process”. For the years ended 31 December 2024 and 2025 and the

RISK FACTORS

five months ended 31 May 2026, our subcontracting costs amounted to approximately HK\$49.9 million, HK\$58.4 million and HK\$18.1 million, respectively, representing approximately 39.8%, 41.8% and 44.7% of our total cost of sales, respectively. There is no assurance that our Group will always be able to secure services from suitable subcontractors when required, or be able to negotiate acceptable fees and terms of service with subcontractors. In such event, our operation and financial position may be adversely affected. There is also no assurance that the service quality of our subcontractors can always meet the requirements of our Group and our customers. We cannot assure that the performance monitoring procedures we adopt for our subcontractors will be effective and any material deterioration of service quality for any reasons could result in damage to our business reputation.

Any postponement or cancellation of the projects may affect the availability of equipment and future work schedule.

Due to the project-based nature of the business, our Group relies heavily on careful scheduling of the projects to maximise the utilisation of our Group’s lighting and sound equipment. However, a project may be postponed or even cancelled for reasons which may not be foreseeable in the circumstances including, among others, adverse weather condition, non-compliance with the relevant licensing requirements with respect to the stage set-up and availability of the performers. If the live pop concert or other events concerned is subsequently postponed or cancelled, our Group may be unable to find another customer for a new business engagement to utilise the equipment allocated for the project during the specified timeslot within a short period of time. In addition, if the project is postponed, it may clash with our next scheduled project. Under such circumstances, the manpower, operational resources and equipment may be insufficient to support the execution of multiple projects at the same time. In such case our Group may incur extra cost for equipment rental and ad hoc personnel services or may be forced to forgo some projects and face potential liability for the default of the contractual obligations under the project agreement, and our results of operations and financial conditions may be materially and adversely affected.

The quality of services may be affected by any unexpected technological system failures defects of our Group’s equipment.

Our Group’s business operation is dependent on the use of lighting and sound engineering technology system. The quality and condition of the equipment provided is pivotal to the services our Group provides to our customers. Although our Group possesses employees with relevant specialised skills and knowledge to execute the tasks and processes for the project with reasonable care, such equipment and software are subject to unexpected technical glitch, breakdown, malfunction, operational error and sudden power outage. Any material errors, malfunction or failure of the hardware or software may significantly affect our Group’s ability to complete the project on schedule.

Our Group has adopted various quality control measures to ensure the service quality, but there is no guarantee that the equipment our Group procured from the suppliers and provided to customers are free from fault and can properly function on the site, especially as electronic products are inherently subject to latent defects which may not be easy to detect upon inspection. If the solutions fail to achieve the specified special effects as requested by the clients, they may refuse to engage our Group again for future projects and there is a risk that our Group may be subject to claim(s) from its customers for the loss and damages arising therefrom. The operating results and financial conditions may be materially and adversely affected as a result.

RISK FACTORS

Any failure to maintain effective quality control system in our Group could have a material adverse effect on our Group’s business and operations.

The Directors believe that the reputation and brand name that our Group has built up over the years play a significant role in enabling our Group to attract customers and secure projects. The promotion and enhancement of our Group’s reputation and brand name depend largely on its ability to provide quality and timely service to the customers. If our Group fails to do so or our customers no longer perceive our Group’s services to be of high quality, our Group’s brand name and reputation could be adversely affected which will in turn materially and adversely affect our Group’s business, financial condition and results of operation.

Any delay in logistics services may materially affect our Group’s operation time schedule.

Our Group relies on logistics services rendered by third parties in transporting and delivering the lighting and sound equipment from our warehouse located in Hong Kong to the designated venues for installation and set-up. Therefore, the operation flow substantially relies on punctual delivery of the logistics service providers. Various unforeseeable factors may interrupt and lead to delay for delivery including but not limited to, adverse weather conditions and traffic accidents that obstruct the transportation channels. Any erroneous assessment to factor in the possibility of material delay in the delivery of equipment may result in shortage of the equipment and adversely affect our Group’s ability to fulfil its obligation to the customers.

Our Group is exposed to credit risks in relation to our trade receivables.

Our Group generally offers credit period of 30 days to major customers for its payment of contract fees. However, there is no guarantee that all customers will settle payment as it falls due. While our Group has implemented credit control policies including an annual credit review based on the settlement of our Group’s accounts receivables in the preceding year, such measures and evaluation of the credit status may not be adequate to safeguard against material credit risks. Our trade receivables, net of provision for loss allowances, amounted to approximately HK\$14.6 million, HK\$35.2 million and HK\$27.2 million as of 31 December 2024 and 2025 and as of 31 May 2026. For the same years/period, our trade receivables turnover days were approximately 40.1 days, 62.1 days and 111.0 days, respectively. Please refer to the section headed “Financial information — Discussion on selected items of combined statements of financial position — Current assets and liabilities — Trade receivables” of this document for further details. Our Group’s financial position may be materially and adversely affected if any customers delay or fail to pay the amount due. In addition, there may be an adverse impact on our Group’s operation if it diverts its management resources, time and attention to pursue any unsettled invoices.

We had a net current liabilities as at 31 December 2024 and 2025.

As at 31 December 2024 and 2025, we recorded net current liabilities of approximately HK\$18.8 million and HK\$13.2 million, respectively. We cannot assure you that we will not incur net current liabilities in the future. Please refer to the section headed “Financial information — Discussion on selected items of combined statements of financial position — Current assets and liabilities” for further details. Our net current liabilities expose us to certain liquidity risks and could constrain our operational flexibility as well as adversely affect our ability to expand our business. Our future liquidity, the payment of trade payables and the payment of accruals and other payables will primarily depend on future operating and financial performance, including our ability to maintain adequate cash inflows from operating activities and our ability to obtain adequate financing. There is also no assurance that we will always have sufficient funds to meet our repayment obligations, or that our historical net current

RISK FACTORS

liabilities will not impair our ability to obtain new borrowings to finance our operation or capital commitments. In such circumstances, our liquidity, business operation, financial condition and prospects may be materially and adversely affected.

Our Group’s business is closely linked to the entertainment industry which is characterised by ever-changing market trends and consumers’ preferences.

As our Group focus on providing lighting and sound solutions for live pop concerts during the Track Record Period, our Group’s success is largely dependent on the sustainability and growth of the entertainment industry. However, the market response for live pop concerts may vary based on a number of factors including popularity of the performing artists, effectiveness of the marketing and promotion of the live pop concerts. Due to the close linkage between our Group’s business and the entertainment industry, any decline in growth of the latter may materially and adversely affect our Group’s business prospects, financial condition and performance.

Our Group’s industry is subject to the demand of entertainment content which may be adversely affected by the global economic and market conditions in the event of significant deterioration and volatility in the global financial markets.

The demand for entertainment content including pop concerts is highly dependent on the global economic and market conditions. Since the pop concerts are particularly sensitive to change in the disposable income and spending patterns of consumers, the change in the demand of entertainment content would have material impact on our Group’s industry.

If consumer spending in Hong Kong worsens as a result of the global financial crisis and fluctuations in their wages, the consumers may not be willing to spend on pop concerts and other live events, which in turn would result in the decline in organising such events and lead to the decline of our Group’s business and financial performance.

Failure to keep pace with the technological advancement may materially affect our financial performance and we may not be able to meet the needs of our customers, which may also affect our competitiveness in the industry.

The continuous success of our Group’s business is largely attributable to its ability to keep pace with the latest development of lighting and sound technology in the market. In order to provide feasible and cost-effective equipment support to our customers, it is important for us to keep pace with the latest technological advancement in the industry and to respond to the consumers’ evolving preferences in a timely manner, so that its equipment range could fully satisfy the customers’ requirements. The decision to purchase new lighting and sound equipment is based on a number of factors, including the anticipated orders from our Group’s customers, the project requirements, the trend and development of recent technology, as well as the assessment of the market reception for the new effects produced by the equipment based on our industry experience.

It is very important for potential investors to note that even if our Group stays abreast of the market trends and regularly invests in new equipment, our Group may not be able to achieve a satisfactory utilisation rate for the newly acquired equipment if they do not cope with the customers’ needs and specifications. The worst case is that the newly acquired equipment may need to be impaired. Therefore, it is imperative for our Group to make wise decisions when purchasing new equipment so that our competitiveness, profitability and financial performance could be maximised in the long run.

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Our business operations depend on the expertise and continuing performance of our key management personnel and there is no assurance that our Group can hire and retain them.

Our success and growth depend on our ability to identify, hire, train and retain suitable, skilled and qualified employees, including management personnel with the requisite industry expertise. Our executive Directors and senior management are important to us in particular in executing our business plan and identifying new opportunities and product advancements. We rely on the management and leadership of Mr. Ng, who is our Chairman, executive Director and co-chief executive officer, and Mr. Chan, who is our executive Director and co-chief executive officer. Mr. Ng and Mr. Chan are both responsible for our Group’s strategic planning and supervision of implementation of our Group’s policies. In addition, we also rely on our Group’s senior management in our daily operations. Details of the expertise and experience of our executive Directors and senior management are set out in the section headed “Directors and senior management” in this document.

There is no assurance that our Group can retain the continuous services of our executive Directors and other members of senior management. If we cannot retain their continuous services in the management of our Group and we are not able to find suitable replacements in a timely manner, there could be an adverse and material impact on the business, results of operation and profitability of our Group.

Successful implementation of our business strategies and future plans are subject to uncertainties.

In order to achieve our business growth by implementing a series of strategies, we plan to acquire advanced lighting and sound equipment including laser and lighting effects fixtures and strengthen our market penetration across the Greater Bay Area. Please refer to the sections headed “Business — Our business strategies” and “Future plans and use of proceeds” in this document for further details. There is no guarantee that we will be able to implement any of our business strategies and future plans successfully, which in turn are subject to uncertainties and changing market, economic and political conditions. Our plans for development and business expansion are formulated based on assumptions on the occurrence of certain future events, which may or may not materialise. We may also not have timely access to adequate capital financing when suitable business opportunities arise. Furthermore, there is also no assurance that any of our business strategies will yield the benefits or achieve the level of profitability we anticipate. The profit from our implemented plans may not be sufficient to justify the start-up expenses and the increased operating costs.

We may be adversely affected by any significant disruption to the warehouses where we store our equipment.

We primarily store our lighting and sound equipment in the warehouse we leased in Hong Kong. Please refer to the section headed “Business — Warehousing” for details of our warehouse. Any significant interruption in the operation of our warehouse facilities, whether as a result of a natural disaster or other causes, could significantly impair our ability to operate our business. The warehouse where we store our equipment is also subject to a number of risks, such as fires, floods, explosions, natural disasters, third-party interference, disruptions in the power supply or power outages, war, terrorism and communal unrest, which could lead to a significant disruption to our operations or result in significant damages to our equipment. Although we have maintained insurance covering certain damage or loss to our equipment in our warehouse, such compensation may not fully cover the actual losses we suffer, and our business, financial condition and results of operations may be materially and adversely affected.

RISK FACTORS

Our historical revenue, gross profit and gross profit margin may not be indicative of our future performance.

For the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, our gross profit amounted to approximately HK\$24.7 million, HK\$24.2 million and HK\$9.5 million, respectively; while our gross profit margin was approximately 16.4%, 14.8% and 19.1%, respectively. However, such trend of historical financial information of our Group is a mere analysis of our past performance only and does not necessarily have any positive implication or may not necessarily reflect our financial performance in the future which will depend on our capability to secure new business opportunities and to control our costs. There is no assurance that our operating and financial performance in the future will remain at a level comparable to those recorded during the Track Record Period.

There is an inherent risk in using our historical financial information to project our future financial performance, as they do not necessarily have any positive implication or may only reflect on our past performance under certain conditions. Our future financial performance will depend on, among others, our ability to secure new contracts, control our costs, market conditions in Hong Kong, and competition among contractors. All these may reduce the number of projects awarded to us and/or limit profit margin of our projects.

In addition, our profit margin may also fluctuate from period to period due to factors such as, among others, the work progress of the projects, the proportion of works performed by our subcontractors and our direct labour and the cost required for the projects. There is no assurance that our profit margin will remain stable in the future and that we can maintain our current level of performance.

We face intense competition in the events and concerts market.

The events and concerts market faces intense competition from both local and regional technical service providers, such as the competitive cost structures offered by mainland Chinese companies. According to the Frost & Sullivan Report, leveraging the Government’s promotion of the event economy and the official opening and commission of Kai Tak Sports Park, this initiative has attracted more industry participants, which has inevitably intensified competition and exerted downward pressure on prices. Consequently, all market players, including our Group, must confront the impact of maintaining premium market positioning. If we are not able to maintain our competitiveness, our business operations, market share and financial condition may be adversely affected.

Our insurance policies may not be sufficient to cover liabilities arising from claims and litigation and our insurance expenses may increase from time to time.

We maintain insurance policies to cover the risks associated with our business operations. However, there are certain types of risks, such as acts of god, for which insurance coverage is generally not available on commercially acceptable terms or at all. There is no assurance that our current insurance coverage will be able to cover all types of risks involved in our business operations, or be sufficient to cover the full extent of losses, damages or liabilities arising therefrom. If we suffer any losses, damages or liabilities in the course of our business operations arising from events for which we do not have any or adequate insurance coverage, we will have to bear all or a certain portion of such losses, damages or liabilities. In such circumstances, our business operations, results of operations and financial condition may be materially and adversely affected.

RISK FACTORS

In addition, there is no assurance that our insurance expenses will not increase or that we will not be required by law to obtain additional insurance coverage in the future. Any further increase in insurance costs may materially and adversely affect our results of operations and financial condition.

We may experience failures in our information technology systems.

Our information technology systems may be subject to risks associated with computer viruses, hardware and software failures, telecommunications failures, power outages, fires, natural disasters and other similar events. Any information systems failure will interrupt our operations and additional time and costs will be incurred for restoring the information lost or damaged. We cannot guarantee that all information lost or damaged could be fully restored and if any of such information which is critical to our business operations could not be restored, our operations may be adversely affected.

Our business operations are subject to adverse weather conditions, natural disasters and other operating hazards.

Our business operations could be materially and adversely affected by natural disasters, such as snowstorms, earthquakes, fires or floods, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, SARS, Ebola, Zika, COVID-19 or other events, such as wars, acts of terrorism, environmental accidents, power shortage or communication interruptions. The occurrence of a disaster or a prolonged outbreak of an epidemic illness or other adverse public health developments in Hong Kong could materially disrupt our business and operations.

These events could also significantly impact our industry, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Our operations could be disrupted if any of our staff were suspected of contracting an epidemic disease, since this could require us to quarantine some or all of these personnel or disinfect the facilities used for our operations. In addition, our revenue and profitability could be materially reduced to the extent that a natural disaster, health epidemic or other outbreak harms Hong Kong and global economy in general. Our operations could also be severely disrupted if our customers were affected by natural disasters, health epidemics or other outbreaks.

RISKS RELATING TO DOING BUSINESS IN HONG KONG

Political consideration of Hong Kong.

Our operations are principally based in Hong Kong, where our business operation and financial conditions will be affected by the political and legal developments in Hong Kong. Any adverse economic, social and/or political conditions, material social unrest, strike, riot, civil disturbance or disobedience, as well as significant natural disasters may materially and adversely affect various sectors of the Hong Kong economy and our business operations.

Our business operations are susceptible to incidents or factors which affect the stability of the social, economic and political conditions in Hong Kong. Any drastic events may adversely affect our business operations, which may include changes in economic conditions and regulatory environment, social and/or political conditions, civil disturbance or disobedience, as well as significant natural disasters.

We cannot assure that there will be no political or social unrest in the future or that there will not be other events that could lead to the disruption of the economic, political and social conditions in Hong Kong. If such events persist for a prolonged period of time or that the economic, political and social conditions in Hong Kong are to be disrupted, our overall business, finance conditions and results of operations may be adversely affected.

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Currency peg system in Hong Kong.

Since 1983, Hong Kong dollars have been pegged to U.S. dollars at the rate of approximately HK\$7.80 to U.S.\$1.00. There is no assurance that this policy will not be changed in the near future. If the pegging system collapses and the value of Hong Kong dollars rises against the U.S. dollar, our sale in the U.S. or other U.S. currency-based regions may be adversely affected.

RISKS RELATING TO THE [REDACTED]

There has been no prior public market for our Shares, their market price may be volatile and an active trading market in our Shares may not develop.

Prior to [REDACTED], there is no public market for our Shares. The [REDACTED] of, and the permission to [REDACTED] with, our Shares on the Stock Exchange do not guarantee the development of an active public market or the sustainability thereof following completion of the [REDACTED]. Factors such as variations in our Group’s revenue, earnings and cash flows, strategic acquisitions made by our Group or our competitors, loss of key personnel, litigation, fluctuations in the market prices for our services in Hong Kong, the liquidity of the market for our Shares, the general market sentiment regarding the construction industry could cause the market price and trading volume of our Shares to change substantially. In addition, both the market price and liquidity of our Shares could be adversely affected by factors beyond our Group’s control and unrelated to the performance of our Group’s business, especially if the financial market in Hong Kong experiences a significant price and volume fluctuation. In such cases, investors may not be able to sell their Shares at or above the [REDACTED].

Future sales, or market perception of sales, of substantial amounts of our Shares in the public market, including any future [REDACTED], could have a material adverse effect on the market price of our Shares and make it difficult for you to recover the full value of your investment.

The market price of our Shares could decline as a result of future sales of substantial amount of our Shares or other securities relating to our Shares in the public market, or the issuance of new Shares or other securities relating to our Shares, or the perception that such sales or issuance may occur. Future sales, or perceived sales, of substantial amount of our Shares could materially and adversely affect the market prices of our Shares and may also materially and adversely affect our ability to raise capital in the future. In addition, our Shareholders would experience dilution in their holdings upon our issuance or sale of additional securities in future [REDACTED].

Investors for our Shares may experience dilution if we issue additional Shares in the future.

If we issue additional Shares in the future, investors of our Shares in the [REDACTED] may experience further dilution in their ownership percentage. We may need to raise additional funds in the future to finance expansion of or new developments relating to our existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of our Company other than on a pro-rata basis to the existing Shareholders, the percentage ownership of such Shareholders in our Company may be reduced or such new securities may confer rights and privileges that take priority over those conferred by our [REDACTED].

RISK FACTORS

RISKS RELATING TO THE STATEMENTS IN THIS DOCUMENT

We cannot guarantee the accuracy of information and statistics with respect to certain information derived from various official government publications and other publicly available publications in this document.

Certain information and statistics in this document are extracted from various official government publications and other publicly available publications. The information from official government sources has not been independently verified by us, the Joint Sponsors, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of our or their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

WAIVER FROM STRICT COMPLIANCE UNDER THE GEM LISTING RULES

In preparation for the [REDACTED], the Company has sought the following waiver from strict compliance with the relevant provisions of the GEM Listing Rules:

CONTINUING CONNECTED TRANSACTION

We [have entered] into and are expected to continue with transaction which would constitute continuing connected transaction which is subject to the announcement requirement, but is exempt from the independent shareholders’ approval requirement under the GEM Listing Rules. We have applied for, and the Stock Exchange [has granted,] a waiver from strict compliance with the announcement requirement under Chapter 20 of the GEM Listing Rules in respect of such continuing connected transaction. Details of such continuing connected transaction is set out in the section headed “Continuing connected transactions” of this document.

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Residential Address	Nationality
<i>Executive Directors</i>		
Mr. Ng Kam Shing (吳錦勝)	Flat B, 5/F, Tower 6, Aria 51 Fung Shing Street Ngau Chi Wan, Kowloon Hong Kong	Chinese
Mr. Chan Muk Hing (陳木興)	Unit D, 3/F, Ebony 2, The Hillgrove 9 Tsing Fat Lane, Tuen Mun New Territories, Hong Kong	Chinese
<i>Non-executive Directors</i>		
Mr. Wong Pui Tak (黃培德)	Flat C, 27/F, Tower 2, 6 Shek Kok Road The Beaumont II, Tseung Kwan O New Territories, Hong Kong	Chinese
Ms. Chan Ching Man (陳靜文)	Flat A1, 1/F, Block A, Botanic Terrace 3 Conduit Road Hong Kong	Chinese
<i>Independent non-executive Directors</i>		
Mr. Ma Ving Lung (馬詠龍)	Flat 19A, 14/F Mei Foo Sun Chuen 19 Nassau Street, Mei Foo Kowloon, Hong Kong	Chinese
Mr. Choy Wong Hoi Peter (蔡王凱)	Room 3801, 38/F, Tung King House Tung Yuk Court, Shau Kei Wan Hong Kong	Chinese
Mr. Coe Harvey (許德之)	Room D, 16/F, Block 2, Le Bleu Deux 12 Waterfront Road, Tung Chung New Territories Hong Kong	Chinese

For further information on the background of our Directors, please refer to the section headed “Directors and senior management” in this document.

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Kingsway Capital Limited

A licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO

7/F, Tower 1, Lippo Centre
89 Queensway
Hong Kong

Red Sun Capital Limited

A licensed corporation permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

Room 2703, 27/F
China Insurance Group Building
141 Des Voeux Road Central
Hong Kong

[REDACTED]

[REDACTED]

[REDACTED] and
[REDACTED]

Kingsway Financial Services Group Limited

A licensed corporation permitted to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO

7/F, Tower 1, Lippo Centre
89 Queensway
Hong Kong

[●]

[●]

[●]

[●]

[●]

[●]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal advisers to our Company

As to Hong Kong law
Cheung & Choy
Suite 3804, 38/F
Central Plaza, 18 Harbour Road
Wanchai
Hong Kong

Mr. Leonard H.T. Chow
Barrister-at-law
10/F, New Henry House
10 Ice House Street
Central
Hong Kong

As to Cayman Islands law
Conyers Dill & Pearman
29th Floor
One Exchange Square
8 Connaught Place
Central
Hong Kong

As to Macao law
STA-Lawyers
Alameda Dr. Carlos D’Assumpção
n.os 322 a 362
Edifício Centro Comercial Cheng Feng
3.º andar “M”
Macao

**Legal advisers to the Joint
Sponsors, the [REDACTED], the
[REDACTED], the [REDACTED]
and the [REDACTED]**

As to Hong Kong law
Loeb & Loeb LLP
2206-19, Jardine House
1 Connaught Place
Central
Hong Kong

**Reporting Accountant and
auditor**

PricewaterhouseCoopers
*Certified Public Accountants and
Registered Public Interest Entity Auditor*
22/F Prince’s Building
Central, Hong Kong SAR, China

Compliance adviser

[Kingsway Capital Limited
7/F, Tower 1, Lippo Centre
89 Queensway
Hong Kong]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry consultant

Frost & Sullivan Limited
3006, Two Exchange Square
Central, Hong Kong

Receiving bank

[●]

CORPORATE INFORMATION

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal place of business in Hong Kong	Flat A, 4th Floor Kenning Industrial Building 19 Wang Hoi Road Kowloon Bay, Kowloon Hong Kong
Company’s website	<u>www.ahmhk.com</u> <i>(information contained in this website does not form part of this document)</i>
Company secretary	Ms. Cheng Hoi Lam (<i>HKICPA</i>) Room 1201, 12/F C C Wu Building 302–308 Hennessy Road, Wanchai Hong Kong
Authorised representatives	Mr. Ng Kam Shing Flat B, 5/F, Tower 6, Aria 51 Fung Shing Street Ngau Chi Wan, Kowloon Hong Kong Ms. Cheng Hoi Lam Room 1201, 12/F C C Wu Building 302–308 Hennessy Road, Wanchai Hong Kong
Audit Committee	Mr. Ma Ving Lung (<i>Chairman</i>) Mr. Coe Harvey Mr. Choy Wong Hoi Peter
Remuneration Committee	Mr. Choy Wong Hoi Peter (<i>Chairman</i>) Mr. Ma Ving Lung Mr. Coe Harvey
Nomination Committee	Mr. Ng Kam Shing (<i>Chairman</i>) Ms. Chan Ching Man Mr. Choy Wong Hoi Peter Mr. Ma Ving Lung Mr. Coe Harvey

CORPORATE INFORMATION

**Principal share registrar and transfer
office in the Cayman Islands**

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Hong Kong [REDACTED]

[REDACTED]

Principal bankers

**The Hongkong and Shanghai Banking
Corporation Limited**
HSBC Main Building
1 Queen’s Road Central
Central, Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

INDUSTRY OVERVIEW

The information contained in this section, unless otherwise indicated, have been derived from various official government publications and other publications generally believed to be reliable and the market research report prepared by Frost & Sullivan which we commissioned. We believe that the sources of such information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. None of our Company, the Joint Sponsors, the [REDACTED], the [REDACTED] and the [REDACTED] or any of our or their respective directors, officers or representatives or any other person involved in the [REDACTED], except for Frost & Sullivan, has independently verified such information nor give any representation as to the accuracy or completeness of such information. As such, you should not unduly rely upon such information in making, or refraining from making, any investment decision.

SOURCE OF INFORMATION

We have commissioned Frost & Sullivan, an independent market research and consulting company, to conduct an analysis of, and to prepare a report on the professional sound, lighting, and stage design engineering services for events and concerts market in Hong Kong. The report prepared by Frost & Sullivan for us is referred to in this document as Industry Report. We agreed to pay Frost & Sullivan a fee of HK\$390,000 which we believe reflects market rates for reports of this type.

Founded in 1961, Frost & Sullivan has 40 offices with more than 2,000 industry consultants, market research analysts, technology analysts and economists globally. Frost & Sullivan’s services include technology research, independent market research, economic research, corporate best practices advising, training, client research, competitive intelligence and corporate strategy.

We have included certain information from the Industry Report in this document because we believe this information facilitates an understanding of the professional sound, lighting, and stage design engineering services for events and concerts market in Hong Kong for the prospective investors. The Industry Report includes information of the professional sound, lighting, and stage design engineering services for events and concerts market in Hong Kong as well as other economic data, which have been quoted in this document. Frost & Sullivan’s independent research consists of both primary and secondary research obtained from various sources in respect of the professional sound, lighting, and stage design engineering services for events and concerts market in Hong Kong. Primary research involved in-depth interviews with leading industry participants and industry experts. Secondary research involved reviewing company reports, independent research reports and data based on Frost & Sullivan’s own research database. Projected data were obtained from historical data analysis plotted against macroeconomic data with reference to specific industry-related factors. Except as otherwise noted, all of the data and forecasts contained in this section are derived from the Industry Report, various official government publications and other publications.

In compiling and preparing the research, Frost & Sullivan assumed that the social, economic and political environments in the relevant markets are likely to remain stable in the forecast period, which ensures the steady development of the professional sound, lighting, and stage design engineering services for events and concerts market in Hong Kong.

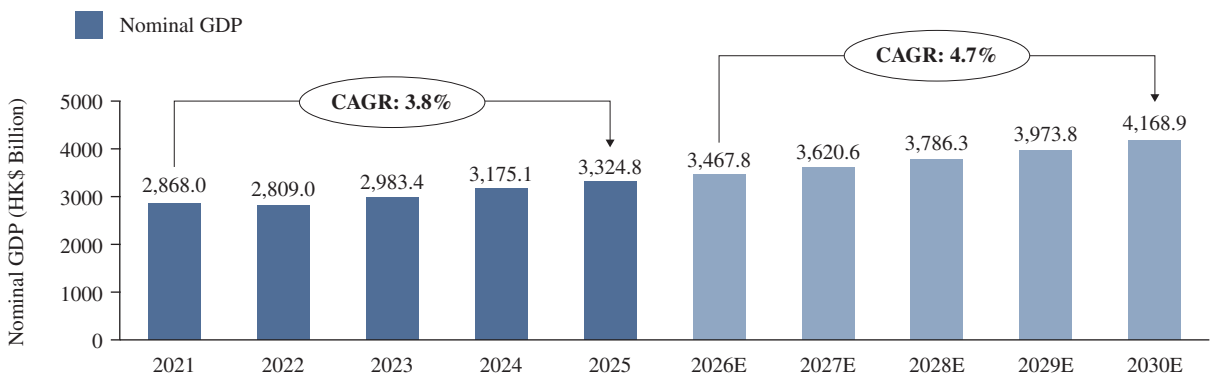
INDUSTRY OVERVIEW

MACRO ECONOMY OVERVIEW IN HONG KONG

Nominal GDP

Attributed to the increase in domestic demand and trade performance featured with recovery of economy in Europe and North America, the nominal GDP in Hong Kong has registered steady growth, from HK\$2,868.0 billion in 2021 to HK\$3,324.8 billion in 2025 at a CAGR of 3.8%. Moving forward, according to International Monetary Fund (“IMF”), Hong Kong’s economy is set to regain its momentum along with the recovery of tourism and consumption, the nominal GDP of Hong Kong is expected to grow from HK\$3,467.8 billion in 2026 to HK\$4,168.9 billion in 2030, representing a CAGR of approximately 4.7%.

Nominal GDP (Hong Kong), 2021–2030E

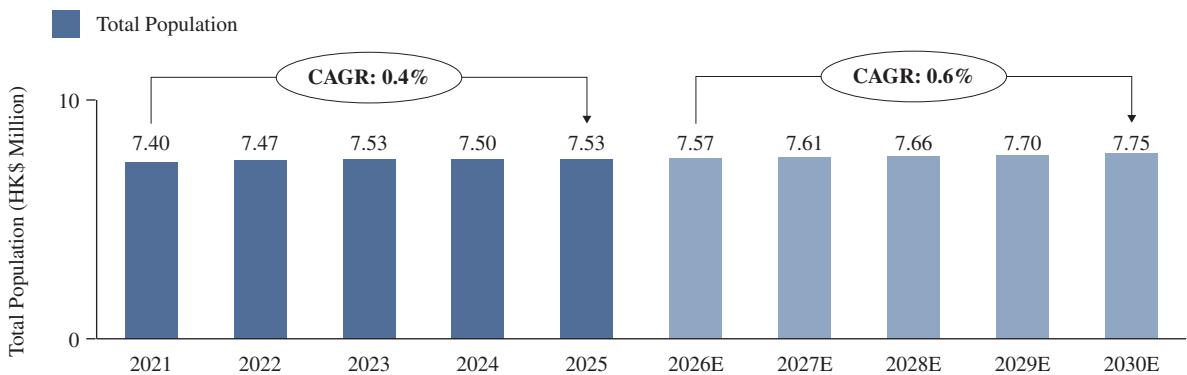


Source: International Monetary Fund (IMF), Frost & Sullivan

Total population

The population in Hong Kong has slightly increased from 7.40 million in 2021 to 7.53 million in 2025, with a CAGR of 0.4%. It is mainly due to government talent attraction schemes and labor importation programmes. With (i) the proactive approach in attracting more outside talent to settle in Hong Kong and (ii) fostering a supportive environment for raising families, the population growth is mild and is expected to maintain a CAGR of 0.6% from 2026 to 2030.

Total population (Hong Kong), 2021–2030E



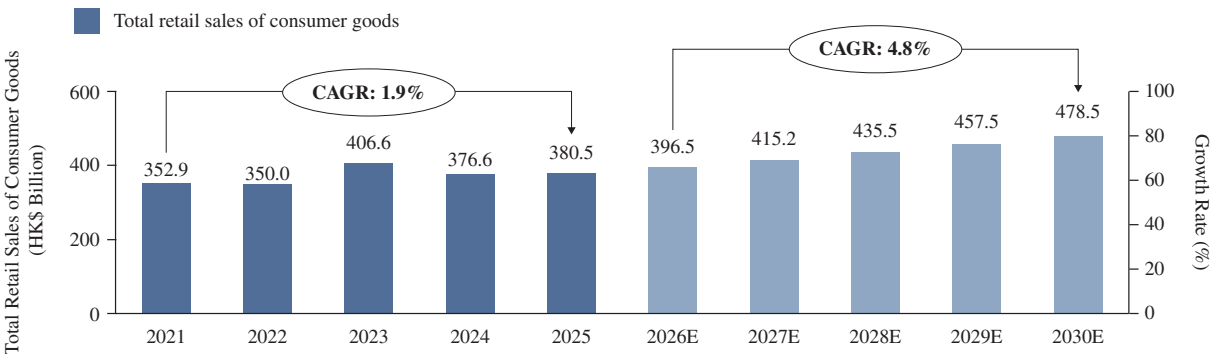
Source: International Monetary Fund (IMF), Frost & Sullivan

INDUSTRY OVERVIEW

Total retail sales of consumer goods

Hong Kong’s total retail sales of consumer goods grew moderately from HK\$352.9 billion in 2021 to HK\$380.5 billion in 2025, achieving a CAGR of 1.9%. The drop in total retail sales of consumer goods in Hong Kong in 2024 is primarily due to evolving consumption dynamics in the post-pandemic landscape. Key contributing factors included shifts in spending preferences among mainland Chinese visitors, who increasingly prioritised experiential, cultural, and entertainment options over traditional shopping; a relatively strong Hong Kong dollar that influenced regional price competitiveness; and greater outbound travel by local residents, including cross-border visits to nearby cities in the Greater Bay Area for leisure and purchases. These developments led to softer performance in certain discretionary categories, such as luxury goods, jewellery, and durable items. Despite significant disruptions to economic activities, particularly in offline retail due to the COVID-19 pandemic, increasing disposable income and effective government measures have driven the recovery of the consumption market. With stable economic growth and a strong rebound in the tourism sector, total retail sales of consumer goods are projected to continue rising, reaching HK\$478.5 billion by 2030, with a CAGR of 4.8% from 2026 to 2030.

Total retail sales of consumer goods (Hong Kong), 2021–2030E



Source: Census and Statistics Department of Hong Kong, Frost & Sullivan

OVERVIEW OF PROFESSIONAL SOUND, LIGHTING, AND STAGE DESIGN ENGINEERING SERVICES FOR EVENTS AND CONCERTS

Definition and classification

Professional sound, lighting, and stage design engineering services for events and concerts refer to the specialised technical expertise involved in planning, designing, installing, and operating high-quality audio, visual, and structural systems to deliver immersive live experiences. These services encompass (i) professional sound engineering to design and reinforce clear and powerful audio systems, (ii) lighting design and engineering to create dynamic visual atmospheres through precise control of intensity, colour, and movement, and (iii) stage design engineering to construct safe, functional, and aesthetically integrated performance platforms and structures. Together, they provide end-to-end technical solutions,

INDUSTRY OVERVIEW

including equipment supply, rigging, synchronisation, and on-site support, to ensure seamless integration of sound, light, and stage elements for concerts, music festivals, corporate events, and large-scale productions. Professional sound, lighting, and stage design engineering services for events and concerts are categorised into:

- *Professional lighting design and engineering services:* Professional lighting design and engineering focuses on creating visual atmospheres, directing audience attention, and enhancing the emotional and aesthetic impact of a performance through controlled use of light. It involves developing creative lighting concepts and plots that complement the event’s theme, music, or narrative. It also includes selecting, positioning, and programming lighting fixtures such as moving lights, LEDs, spotlights, and wash lights along with control systems, consoles, and software. Technical elements like rigging, power distribution, focusing, and synchronisation with music or cues are carefully managed. During the show, real-time operation adjusts intensity, colours, movement, and effects to create dynamic visuals. Lighting engineers and designers blend artistic vision with technical precision to transform a venue into an immersive environment, evoke moods, and highlight performers.
- *Professional stage design engineering services:* Professional stage design engineering, also referred to as event staging or production design, involves the structural planning, construction, and customisation of the physical performance area to support the show safely and aesthetically. It includes designing and building custom stages, risers, platforms, backdrops, set pieces, and multi-level structures. Rigging systems, trusses, and support for heavy equipment such as sound, lighting, video screens, and special effects are integrated. Functionality for performer movement, audience visibility, and technical requirements is ensured while meeting safety and load-bearing standards. Scenic elements, props, and theming are incorporated to align with the overall production vision. Stage design provides the foundational platform that unifies sound, lighting, and performance elements into a cohesive experience.
- *Combined services in events and concerts:* When offered together as professional sound, lighting, and stage design engineering services, these disciplines form the core of technical event production. Companies like AHM provide end-to-end solutions, including stage lighting and sound engineering for desired effects, equipment supply, installation, on-site operation, and support. The integrated approach ensures technical reliability, creative synergy, and a seamless live experience for concerts, music festivals, corporate events, sports ceremonies, and other large-scale productions.

Value chain analysis

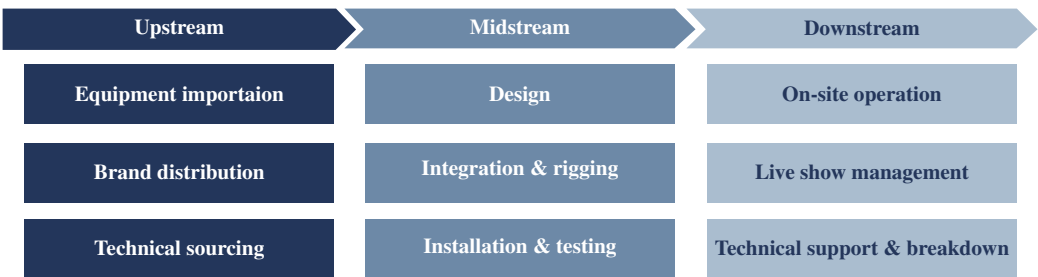
The upstream segment focuses on equipment procurement and supply, where the Group acts as a distributor to support its own projects and clients. It includes equipment importation and procurement of professional audio, lighting, video, and special effects gear from international manufacturers. It covers brand and product distribution, offering a wide range of sound systems, lighting fixtures, accessories, and related equipment for sale. It also involves technical sourcing and warehousing, maintaining inventory and spare parts to ensure quick availability for custom installations and event needs.

The midstream segment centres on design, integration, and permanent installation. It encompasses creative design, developing tailored sound, lighting, and stage solutions that match event themes, venue requirements, and client specifications. It includes integration and special effects engineering, combining audio, lighting, video, rigging, and special effects with proper synchronisation and power systems.

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Furthermore, it features venue installation and commissioning, providing professional design and installation services for theatres, sports arenas, auditoriums, conference centres, schools, malls, and hotels across Hong Kong, China, and overseas.

The downstream segment covers on-site event execution and full-service delivery, where the Group directly supports live productions. It includes on-site setup and operation, handling the rigging, setup, and live running of sound, lighting, and stage systems for concerts, festivals, corporate events, fashion shows, award ceremonies, and large-scale productions. It involves live show management and technical operation, with real-time control, mixing, cueing, and adjustments by experienced technicians to ensure flawless performance. Finally, it provides technical support, breakdown, and after-sales service, including troubleshooting during events, post-show dismantling, maintenance, and ongoing client assistance for reliability and satisfaction.



Source: Frost & Sullivan

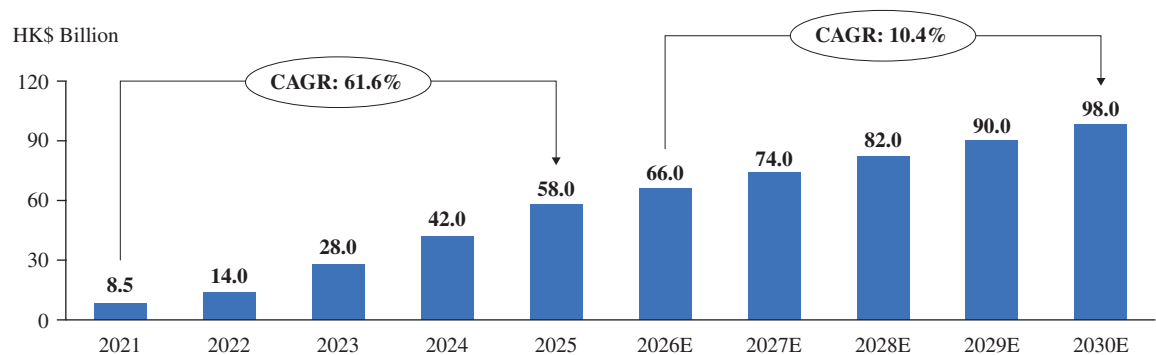
Market size of live music events in Greater Bay Area (“GBA”)

The live music events market in the Greater Bay Area experienced explosive growth between 2021 and 2025. In 2021, the market was severely suppressed at approximately HK\$8.5 billion due to strict COVID-19 restrictions and border closures across the region. A strong recovery began in 2022, with revenue rising to HK\$14.0 billion as pandemic measures eased. The market then accelerated dramatically in 2023 and 2024, reaching HK\$42.0 billion, driven by the full reopening of borders, resumption of large-scale concerts, and growing demand in Shenzhen, Guangzhou, and other GBA cities. In 2025, the market surged to around HK\$58.0 billion, fueled primarily by the opening of Kai Tak Sports Park in Hong Kong, which hosted numerous high-profile international concerts and attracted over 7 million visitors in its debut year, along with increased activity across the broader Greater Bay Area.

From 2026 to 2030, the live music events market in the Greater Bay Area is projected to grow at a CAGR of 10.4%. Revenue is expected to increase from approximately HK\$66.0 billion in 2026 to HK\$98.0 billion by 2030. This sustained growth will be supported by the full maturation of Kai Tak Sports Park, continued government “mega events” policies in Hong Kong and mainland GBA cities, deeper regional integration, and the development of new performance venues across Shenzhen, Guangzhou, and Zhuhai. Rising disposable income, growing middle-class demand for live entertainment, and the attraction of more international artists will further drive long-term expansion in the region.

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Market size of live music events (Greater Bay Area), 2021–2030E



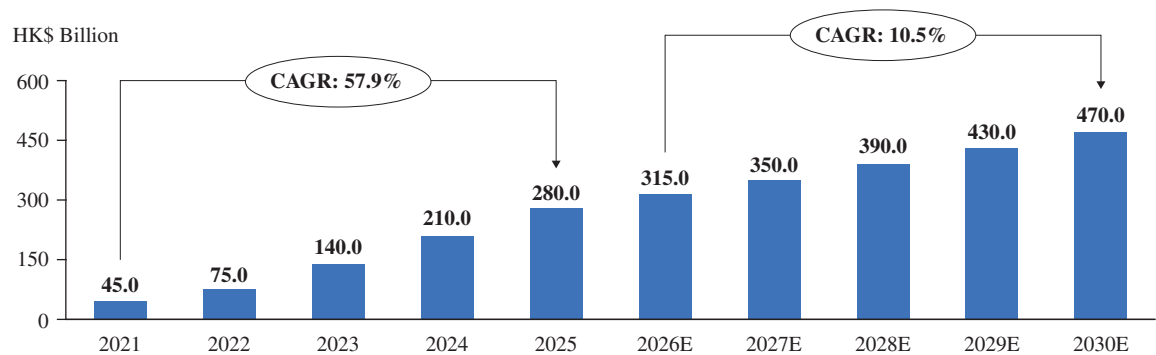
Source: Frost & Sullivan

Market size of corporate/MICE, sports, exhibitions & other events in Greater Bay Area

The corporate/MICE, sports, exhibitions & other events market in the Greater Bay Area witnessed a strong recovery between 2021 and 2025. In 2021, the market was heavily suppressed at approximately HK\$45.0 billion due to stringent COVID-19 restrictions and border closures that led to widespread event cancellations. Recovery began in 2022 with revenue reaching HK\$75.0 billion as pandemic measures were gradually relaxed. The market then accelerated sharply in 2023 and 2024, climbing to HK\$210.0 billion, driven by the full reopening of borders, resumption of large-scale exhibitions, corporate events, and sports activities. In 2025, the market grew further to around HK\$280.0 billion, supported by the opening of Kai Tak Sports Park, increased MICE visitor arrivals, and stronger demand for corporate and exhibition events across Hong Kong, Shenzhen, and Guangzhou.

From 2026 to 2030, the corporate/MICE, sports, exhibitions & other events market in the Greater Bay Area is expected to grow at a CAGR of 10.5%. Revenue is projected to increase from approximately HK\$315.0 billion in 2026 to HK\$470.0 billion by 2030. This consistent growth will be underpinned by the full operational maturity of Kai Tak Sports Park, deeper regional integration under the Greater Bay Area initiative, continuous government support for the mega events economy, and the development of new exhibition and sports venues across the region. Rising corporate activity, growing demand for incentive travel and international exhibitions, and improved connectivity between Hong Kong and mainland GBA cities will further drive long-term expansion in this segment.

Market size of corporate/MICE, sports, exhibitions & other events (Greater Bay Area), 2021–2030E



Source: Frost & Sullivan

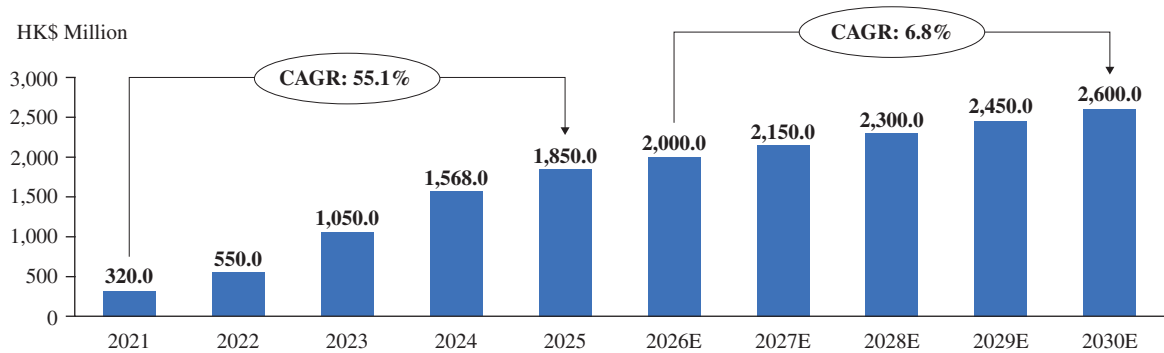
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Market size of live music events in Hong Kong

The market size of live music events in Hong Kong experienced a rapid recovery from HK\$320.0 million in 2021 to HK\$1,850.0 million in 2025 at a CAGR of 55.1%. In 2021, revenue remained extremely low due to stringent COVID-19 restrictions and border closures, which severely limited live performances. A strong rebound began in 2022 as social distancing measures were gradually relaxed. The market accelerated sharply in 2023 following the full reopening of borders, reaching approximately HK\$1,050.0 million. Growth continued steadily through 2024 and surged significantly in 2025, driven primarily by the opening of Kai Tak Sports Park in March 2025. The new venue hosted numerous large-scale concerts and attracted over 7 million visitors in its debut year, pushing market size of live music events to around HK\$1,850.0 million in 2025.

From 2026 to 2030, market size of live music events is projected to grow at a more moderate but steady pace. Revenue is expected to increase from approximately HK\$2,000.0 million in 2026 to HK\$2,600.0 million by 2030 at a CAGR of 6.8%. This sustained growth will be supported by the full operational maturity of Kai Tak Sports Park, the Hong Kong Government’s ongoing “mega events economy” policy, and Hong Kong’s positioning as a regional entertainment hub. Continued integration with the Greater Bay Area, the attraction of more international artists, and the rising frequency of large-scale concerts and music festivals will contribute to stable long-term expansion in the music events sector.

Market size of live music events (Hong Kong), 2021–2030E



Source: Frost & Sullivan

Market size of corporate/MICE, sports, exhibitions & other events in Hong Kong

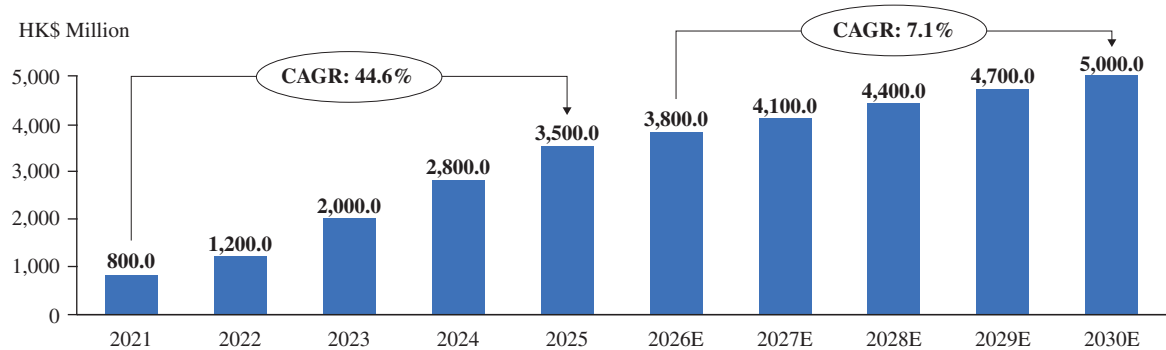
The corporate/MICE, sports, exhibitions & other events market size experienced a sharp recovery between 2021 and 2025. In 2021, activity was severely suppressed due to stringent COVID-19 restrictions, border closures, and the cancellation of most large-scale events, resulting in very low revenue. A gradual rebound began in 2022 as pandemic measures eased. The market accelerated significantly in 2023 following the full reopening of Hong Kong’s borders, with strong growth continuing into 2024. Market size reached approximately HK\$2,800.0 million in 2024, supported by the resumption of exhibitions, corporate events, and incentive programmes. The year 2025 marked a notable acceleration, driven by the opening of Kai Tak Sports Park, increased MICE visitor arrivals, and the government’s push for mega events, pushing revenue to around HK\$3,500.0 million.

From 2026 to 2030, corporate/MICE, sports, exhibitions & other events market size is expected to grow steadily at a CAGR of 7.1%. Market size is projected to rise from approximately HK\$3,800.0 million in 2026 to HK\$5,000.0 million by 2030. This sustained growth will be underpinned by the

INDUSTRY OVERVIEW

continued operation and maturation of Kai Tak Sports Park, the stable recovery of the MICE sector with consistent overnight visitor numbers, and the Hong Kong Government’s long-term strategy to develop the events economy. Increasing integration with the Greater Bay Area, rising demand for corporate incentive events, and the expansion of sports and cultural exhibitions will further support steady revenue growth throughout the second half of the decade.

Market size of corporate/MICE, sports, exhibitions & other events (Hong Kong), 2021–2030E



Source: Frost & Sullivan

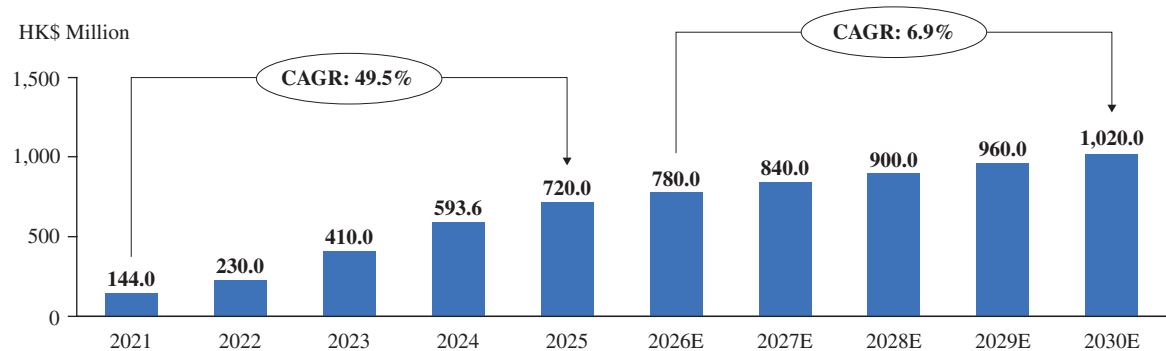
Market size of professional sound, lighting, and stage design engineering services for events and concerts in Hong Kong

The total technical services market size for professional sound, lighting, and stage design engineering services in Hong Kong grew rapidly from HK\$144.0 million in 2021 to HK\$720.0 million in 2025 at a CAGR of 49.5%. This strong upward trend was primarily driven by the sharp post-COVID recovery of the live events sector, the full reopening of borders in early 2023, and the gradual resumption of large-scale concerts and corporate events. The market experienced significant acceleration in 2024 and 2025 following the opening of Kai Tak Sports Park, which hosted over 90 major events and attracted more than 7 million visitors in its debut year, substantially increasing demand for high-quality sound, lighting, and stage engineering services.

From 2026 to 2030, the total technical services market is projected to grow steadily from HK\$780.0 million to HK\$1,020.0 million at a CAGR of 6.9%. This sustained growth is supported by the continued operation and full utilisation of Kai Tak Sports Park, the Hong Kong Government’s proactive mega events economy policy, and the ongoing recovery and expansion of the MICE sector. Increasing integration with the Greater Bay Area and the rising number of international concerts, sports events, and large-scale corporate productions are expected to drive consistent demand for professional technical services in the near future.

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Market size of professional sound, lighting, and stage design engineering services for events and concerts (Hong Kong), 2021–2030E



Source: Frost & Sullivan

Market drivers and trends

1. Kai Tak Sports Park as a catalyst for growth

The opening of Kai Tak Sports Park in March 2025 has emerged as the most powerful catalyst for the professional sound, lighting, and stage design engineering sector in Hong Kong. The world-class venue, featuring a 50,000-seat main stadium with a retractable roof and multiple indoor arenas, hosted over 90 major events and attracted more than 7 million visitors in its debut year. High-profile international concerts, including those by Coldplay and other global artists, have demanded advanced sound reinforcement systems, sophisticated moving-head and LED lighting rigs, complex stage structures, and seamless audio-visual integration. This has significantly boosted demand for technical services, particularly for large-scale productions that require precise rigging, power distribution, and real-time show control.

2. Government mega events policy and tourism strategy

The Hong Kong Government’s aggressive “mega events economy” strategy, supported by the Development Blueprint for Hong Kong’s Tourism Industry 2.0, continues to drive substantial market growth. Through financial incentives, streamlined licensing, and active promotion of international events, the government aims to establish Hong Kong as Asia’s leading events destination. This policy has not only increased the frequency of large concerts and festivals but also encouraged premium corporate and cultural productions. As a result, technical service providers are benefiting from a more consistent pipeline of high-value projects that require professional sound engineering, creative lighting design, and custom stage construction.

3. Recovery and expansion of the MICE sector

The strong recovery of the Meetings, Incentives, Conferences, and Exhibitions (MICE) sector has provided a stable and growing foundation for technical services demand. In 2024-2025, Hong Kong hosted over 350 exhibitions and conventions, attracting 9.17 million participants and approximately 1.42 million overnight MICE visitors. Many of these events, including product launches, gala dinners, award ceremonies, and trade shows, require sophisticated yet flexible sound systems, dynamic lighting, and custom stage setups. The increasing preference for hybrid and immersive formats has further elevated the need for advanced technical integration, creating steady year-round business opportunities beyond seasonal concert peaks.

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4. *Technological advancement and demand for immersive experiences*

Rapid technological advancements are reshaping client expectations, pushing the sector toward more immersive and technically sophisticated productions. There is growing demand for intelligent lighting systems, networked audio solutions with low latency, large-format LED video walls, automated rigging, and synchronised multi-element control systems. Events are increasingly designed to deliver memorable sensory experiences, requiring technical teams to deliver higher levels of creativity, precision, and reliability. This trend favors companies with strong engineering capabilities and the ability to integrate cutting-edge equipment seamlessly into both temporary and permanent installations.

Market Opportunities

1. *Greater Bay Area integration and long-term outlook*

Deepening integration with the Greater Bay Area is creating new cross-border opportunities and expanding the overall market horizon. Hong Kong’s strategic location, combined with its world-class infrastructure and international reputation, positions it as a natural hub for regional events. Looking ahead to 2030, the sector is expected to benefit from a sustained pipeline of international concerts, major sports tournaments, cultural festivals, and premium corporate events. Emphasis on sustainability, operational efficiency, and high production standards will continue to shape the competitive landscape, rewarding technically capable and innovative service providers.

2. *Growing need for technical maintenance and long-term venue partnerships*

With the increasing number of permanent and semi-permanent installations at new venues like Kai Tak Sports Park and upgraded convention facilities, there is rising demand for ongoing technical maintenance, system upgrades, and long-term service contracts. Opportunities exist in annual maintenance agreements, equipment retrofitting, staff training, and standby technical support for major venues. Companies that can provide reliable after-sales service and venue partnership models are well-placed to secure recurring revenue streams and build stable, long-term relationships with venue operators and frequent event organisers.

Market Challenges

1. *Intense competition and price pressure*

The market faces intense competition from both local and regional technical service providers, including mainland Chinese companies that offer lower-cost solutions. With many new entrants attracted by the post-pandemic recovery and Kai Tak Sports Park opportunities, price competition has become fierce, particularly for mid-to-large scale events. This pressure often squeezes profit margins and forces companies to compete aggressively on pricing rather than on quality, innovation, or technical expertise, making it difficult for established players like AHM Engineering to maintain premium positioning.

2. *Shortage of skilled technical talent*

A significant challenge is the acute shortage of experienced and qualified technical personnel, including sound engineers, lighting designers, rigging specialists, and system integration technicians. The rapid growth in large-scale events driven by Kai Tak Sports Park and the mega events policy has increased demand for skilled manpower, but the local talent pool has not grown at the same pace. Many professionals have left the industry during the COVID-19 period or moved to higher-paying markets, resulting in higher recruitment costs, increased reliance on freelance or overseas talent, and potential quality and safety risks during tight production schedules.

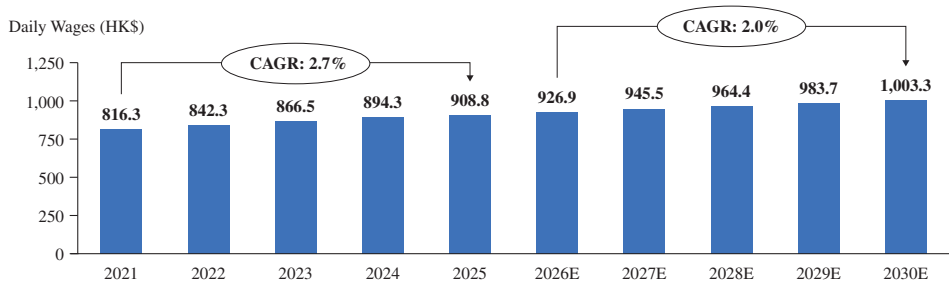
INDUSTRY OVERVIEW

COST ANALYSIS

Average daily wages

The average daily wages of craftsmen and operatives in Hong Kong’s professional sound, lighting, and stage design engineering services for events and concerts exhibited a steady upward trend from 2021 to 2025, rising from HK\$816.3 in 2021 to HK\$908.8 in 2025, representing a CAGR of 2.7%. This consistent wage growth was primarily driven by the strong post-COVID recovery of the live events industry, surging demand for skilled technical personnel following the full reopening of borders in 2023, and the significant boost from the opening of Kai Tak Sports Park in March 2025. The heightened complexity of large-scale productions, coupled with a persistent shortage of experienced technicians in sound, lighting, and rigging, further intensified competition for talent, pushing wages higher. Additionally, the Hong Kong Government’s “mega events economy” policy and the expansion of the MICE sector contributed to sustained demand, supporting continued wage growth through 2025. The average daily wages of craftsmen and operatives in Hong Kong’s professional sound, lighting, and stage design engineering services for events and concerts are expected to grow at a CAGR of 2.0% from 2026 to 2030, reaching HK\$1,003.3 in 2030.

Average Daily Wages of Craftsmen and Operatives (Hong Kong), 2021–2030E



Source: Census and Statistics Department of Hong Kong, Frost & Sullivan

COMPETITIVE LANDSCAPE OF PROFESSIONAL SOUND, LIGHTING, AND STAGE DESIGN ENGINEERING SERVICES FOR EVENTS AND CONCERTS MARKET IN HONG KONG

The Hong Kong market for professional sound, lighting, and stage design engineering services is moderately fragmented and competitive. It is estimated that there are more than 50 companies operating in the broader AV rental and technical production space, ranging from small operators focused on corporate events, weddings, and basic rentals to mid-sized firms handling exhibitions and mid-scale productions.

However, the segment capable of delivering large-scale concerts, stadium-level productions, such as those at Kai Tak Sports Park, and major MICE events is much more concentrated. It is estimated that only 10-15 players possess the necessary scale, extensive equipment inventories, including large speaker arrays, advanced lighting rigs, heavy rigging systems, and LED solutions, experienced technical crews, rigging expertise, and a proven track record with high-profile international and local events.

The competitive landscape features a mix of long-established local specialists and larger regional or international AV groups. Intense price pressure exists while large-scale projects are often won through demonstrated technical reliability, equipment quality, and strong relationships with venues, promoters, and event organisers. The opening of Kai Tak Sports Park in March 2025 has intensified competition, as it has increased demand for sophisticated, large-scale technical solutions while attracting more capable players.

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Our Group is the second largest professional sound, lighting, and stage design engineering services provider for events and concerts by revenue in Hong Kong in 2025, accounting for a market share of 22.8%.

Ranking and market share of top five professional sound, lighting, and stage design engineering services providers for events and concerts by revenue (Hong Kong), 2025

Ranking	Company	Revenue (HK\$ Million)	Market Share (%)
1	Company A	180.0	25.0%
2	The Group	163.8	22.8%
3	Company B	65.0	9.0%
4	Company C	55.0	7.6%
5	Company D	40.0	5.6%
	Top 5 Subtotal	503.8	70.0%
	Others	216.2	30.0%
	Total Market Size	720.0	100.0%

Source: Frost & Sullivan

Notes:

1. Company A is a Hong Kong-based provider of technical production and creative solution services for events and live performances, as well as concert organisation. It offers integrated services including stage design, audio, lighting, project management and full concert promotion.
2. Company B is a specialist distributor of professional audio, lighting and staging products for the entertainment industry. It provides sales, installation, technical services, design and consultancy, as well as full production support for concerts, festivals, theatre, television and corporate events, covering sound, lighting, visual and staging solutions for both entertainment and architectural applications.
3. Company C is a Hong Kong-based audio-visual services provider offering one-stop solutions for live and virtual events. It specialises in professional AV rental, technical production, lighting, video and related support for conferences, exhibitions, gala dinners, outdoor events, ceremonies and other occasions across Hong Kong and the region.
4. Company D is a provider of professional audio, lighting, LED wall/video and stage equipment rental and production services. It delivers high-end, customised solutions for corporate conferences, weddings, concerts, dinners and other events.

Entry barriers

1. High capital investment requirement

Entering the professional sound, lighting, and stage design engineering services market in Hong Kong demands substantial upfront capital investment. Companies must maintain a large and diverse inventory of high-end equipment, including advanced speaker arrays, moving-head and LED lighting fixtures, heavy-duty trussing and rigging systems, control consoles, and power distribution units. In addition, significant investment is required for warehousing, transportation vehicles, regular equipment maintenance, and insurance. Given the rapid pace of technological advancement, continuous capital expenditure is necessary to keep the equipment fleet current, making it difficult for new entrants with limited financial resources to compete effectively with established players.

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2. *Need for skilled technical expertise and experienced crew*

A critical entry barrier is the shortage of qualified and experienced technical personnel. Successfully delivering large-scale concerts and major events requires highly skilled sound engineers, lighting designers, rigging specialists, system integrators, and on-site crew with proven experience in complex productions. Building such a competent team takes years of training and hands-on exposure to high-pressure live environments. New entrants often struggle to attract and retain talent, especially when competing against established companies that offer better career stability, higher compensation, and access to prestigious projects such as those at Kai Tak Sports Park.

3. *Established relationships and track record requirements*

Strong relationships with venue operators, event promoters, production managers, and government licensing bodies represent another significant barrier to entry. Major clients, particularly for Kai Tak Sports Park productions and large MICE events, prefer working with companies that have a demonstrated track record of reliability, technical excellence, and successful delivery under tight deadlines. New players find it challenging to win high-profile contracts without an established reputation and long-term industry connections. Furthermore, compliance with strict safety regulations, licensing requirements, such as Places of Public Entertainment Licence, and structural certification further favors incumbents who already understand the complex regulatory landscape.

Factors of competition

1. *Equipment quality and technological capability*

One of the most critical factors of competition in Hong Kong’s professional sound, lighting, and stage design engineering market is the quality, modernity, and scale of equipment inventory. Companies that invest in state-of-the-art sound systems, intelligent lighting fixtures, large-format LED displays, automated rigging, and advanced control platforms have a distinct competitive advantage. Clients, especially for large-scale concerts at Kai Tak Sports Park and high-profile events, increasingly demand reliable, high-performance, and visually impressive technical solutions. Firms with superior and well-maintained equipment fleets are better positioned to win major projects and command premium pricing.

2. *Technical expertise and service reliability*

Technical expertise combined with consistent on-site execution and reliability forms another major competitive factor. The ability to deliver flawless sound reinforcement, precise lighting design, safe and efficient rigging, and seamless system integration under tight timelines and high-pressure conditions is highly valued. Experienced crews, strong project management capabilities, and a proven track record of successful event delivery significantly influence client decisions. Companies that can consistently provide professional, responsive, and technically excellent service tend to build long-term relationships with promoters, venue operators, and event organisers.

3. *Price competitiveness and value proposition*

Price remains a strong factor of competition, particularly in the mid-to-large event segment. While top-tier clients prioritise quality and reliability for flagship productions, many corporate, MICE, and mid-scale concert organisers are highly price-sensitive. Companies must balance competitive pricing with acceptable profit margins while offering strong value through bundled services, flexible packages, and efficient operations. The ability to provide cost-effective yet high-quality technical solutions without compromising safety or performance is essential for gaining and retaining market share in Hong Kong’s competitive environment.

REGULATORY OVERVIEW

This section sets forth a summary of the laws and regulations applicable to our business and operations. As this is a summary, it does not contain detailed analysis of the laws which are relevant to our business.

LAWS AND REGULATIONS IN HONG KONG

BUSINESS REGISTRATION ORDINANCE

The Business Registration Ordinance (Chapter 310 of the Laws of Hong Kong) requires every entity that carries on a business in Hong Kong to apply for a business registration within 1 month from the date of commencement of the business, and to display a valid business registration certificate at the place of business.

INLAND REVENUE ORDINANCE

The Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) is an ordinance for the purposes of imposing taxes on property, earnings and profits in Hong Kong. The Inland Revenue Ordinance provides, among others, that persons, which include corporations, partnerships, trustees and bodies of persons, carrying on any trade, profession or business in Hong Kong are chargeable to tax on all profits (excluding profits arising from the sale of capital assets) arising in or derived from Hong Kong from such trade, profession or business. As at the Latest Practicable Date, the profits tax rate is 8.25% for the first HK\$2,000,000 estimated assessable profits and 16.5% for estimated assessable profits above HK\$2,000,000 for an entity qualified for the two-tiered profits tax rates regime introduced pursuant to the Inland Revenue (Amendment) (No.7) Bill 2018. The Inland Revenue Ordinance also contains provisions relating to, among others, permissible deductions for outgoings and expenses, set-offs for losses and allowances for depreciation.

EMPLOYMENT ORDINANCE

The Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is an ordinance for, among others, the protection of the wages of employees and the regulation of the general conditions of employment and employment agencies in Hong Kong. The Employment Ordinance covers employment protection and benefits for employees including, among others, wage protection, paid annual leave, sickness allowance, maternity protection, statutory paternity leave and long service payment.

EMPLOYEES’ COMPENSATION ORDINANCE

The Employees’ Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) establishes a no-fault and non-contributory employee compensation system for work injuries and lays down the rights and obligations of employers and employees in respect of injuries or death caused by accidents arising out of and in the course of employment, or by prescribed occupational diseases. The Employees’ Compensation Ordinance in general applies to employees who are employed under a contract of service or apprenticeship. Employees who are injured while working outside Hong Kong are also covered if they are employed in Hong Kong by local employers. An employer is liable to pay compensation in respect of injuries sustained by his employees as a result of an accident arising out of and in the course of employment; or in respect of occupational diseases specified in the Employees’ Compensation Ordinance suffered by the employees.

OCCUPIERS LIABILITY ORDINANCE

The Occupiers Liability Ordinance (Chapter 314 of the Laws of Hong Kong) regulates the obligations of a person occupying or having control of premises on injury resulting to persons or damage caused to goods or other property lawfully on the land. The Occupiers Liability Ordinance

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imposes a common duty of care on an occupier of premises to take such care as in all the circumstances of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.

OCCUPATIONAL SAFETY AND HEALTH ORDINANCE

The Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) provides for the safety and health protection to employees in workplaces, both industrial and non-industrial. Employers must as far as reasonably practicable ensure the safety and health in their workplaces by:

- provision and maintenance of plant and systems of work that are safe and without risks to health;
- making of arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage or transport of plant or substances;
- as regards any workplace under the employer’s control:
 - maintenance of the workplace in a condition that is safe and without risks to health; and
 - provision and maintenance of means of access to and egress from the workplace that are safe and without any such risks;
- providing all necessary information, instructions, training and supervision for ensuring safety and health; and
- provision and maintenance of a working environment for the employer’s employees that is safe and without risks to health.

The Commissioner for Labour may also issue an improvement notice against non-compliance of this ordinance or the Factories and Industrial Undertakings Ordinance (Chapter 59 of the Laws of Hong Kong), or issue a suspension notice against activity or condition of workplace which may create an imminent risk of death or serious bodily injury.

MANDATORY PROVIDENT FUND SCHEMES ORDINANCE

The Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) is an ordinance for the purpose of providing for the establishment of the non-governmental mandatory provident fund schemes. Except for exempt persons, employees (regular or casual) and self-employed persons who are at least 18 but under 65 years of age are required to join a mandatory provident fund scheme.

MINIMUM WAGE ORDINANCE

The Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong) is an ordinance for the purposes of providing a minimum wage at an hourly rate for certain employees. The Minimum Wage Ordinance establishes a statutory minimum wage regime. The statutory minimum hourly rate with effect from 1 May 2026 is HK\$43.1 per hour. Any provision of the employment contract which purports to extinguish or reduce the right, benefit or protection conferred on the employee by the Minimum Wage Ordinance is void.

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TRADE MARKS ORDINANCE

The Trade Marks Ordinance (Chapter 559 of the Laws of Hong Kong) provides for the registration of trademarks, the use of registered trademarks and connected matters. Hong Kong provides territorial protection for trademarks. Therefore, trademarks registered in other countries or regions are not automatically entitled to protection in Hong Kong. In order to enjoy protection by the laws of Hong Kong, trademarks must be registered with the Trade Marks Registry of the Intellectual Property Department under Trade Marks Ordinance and Trade Marks Rules (Chapter 599A of the Laws of Hong Kong).

According to section 10 of the Trade Marks Ordinance, a registered trademark is a property right acquired through due registration under this ordinance. The owner of a registered trademark is entitled to the rights provided by the ordinance.

By virtue of section 14 of the Trade Marks Ordinance, the owner of a registered trademark is conferred exclusive rights in the trademark. The rights of the owner in respect of the registered trademark come into existence from the date of the registration of the trademark. According to section 48 of this ordinance, the registration date is the filing date of the application for registration.

Subject to the exceptions in section 19 to section 21 of the Trade Marks Ordinance, any use of the trademark by third parties without the consent of the owner is an infringement of the trademark. Conducts that amount to infringement of the registered trademark are further specified in section 18 of the same ordinance. The owner of the registered trademark is entitled to remedies under the Trade Marks Ordinance once any infringement by third parties occurs, such as infringement proceedings provided for in section 23 and section 25 of the Trade Marks Ordinance.

Trademarks which are not registered under the Trade Marks Ordinance and the Trade Marks Rules may still obtain protection by the common law action of passing off, which requires proof of the owner’s reputation in the unregistered trademark and that use of the trademark by third parties will cause the owner damage.

NOISE CONTROL ORDINANCE

The Noise Control Ordinance (Chapter 400 of the Laws of Hong Kong) provides, among other things, the statutory controls in relation to nuisance caused by noisy activities conducted in public places.

By virtue of section 4 of the Noise Control Ordinance, any person who, between the hours of 11 p.m. and 7 a.m., or at any time on a general holiday in any public place, makes any noise which is a source of annoyance to any person shall commit an offence liable to a fine of HK\$10,000.

By virtue of section 5 of the Noise Control Ordinance, any person who at any time in any public place (i) plays or operates any musical or other instrument, including any record or cassette player or radio or television apparatus, (ii) uses any loud-speaker, megaphone, or other device or instrument for magnifying sound, (iii) plays any game or engages in any pastime, or (iv) carries on a trade or business, the noise of which is a source of annoyance to any person shall commit an offence liable to a fine of HK\$10,000.

SUPPLY OF SERVICES (IMPLIED TERMS) ORDINANCE

The Supply of Services (Implied Terms) Ordinance (Chapter 457 of the Laws of Hong Kong) consolidates and amends the law with respect to the terms to be implied in contracts for the supply of services.

REGULATORY OVERVIEW

Section 5 of the Supply of Services (Implied Terms) Ordinance provides that in a contract for the supply of service where the supplier is acting in the course of a business, there is an implied term that the supplier will carry out the service with reasonable care and skill.

Section 6 of the Supply of Services (Implied Terms) Ordinance provides that where, under a contract for the supply of a service by a supplier acting in the course of a business, the time for the service to be carried out is not fixed by the contract, is not left to be fixed in a manner agreed by the contract or is not determined by the course of dealing between the parties, there is an implied term that the supplier will carry out the service within a reasonable time.

LAWS AND REGULATIONS IN MACAO

EMPLOYMENT REGULATIONS

LAW FOR THE EMPLOYMENT OF NON-RESIDENT WORKERS

The Law for the Employment of Non-Resident Workers (Law No. 21/2009) establishes the legal requirements for non-residents to work in Macao and the general framework for non-resident employment relations in all areas of activities. For the purposes of this Law, a non-resident employee means a person who has no right of abode in Macao, but is allowed to temporarily work in Macao according to a temporary work permit issued upon approval by the competent authority based upon an employment contract concluded with (1) a Macao resident; (2) a natural person or body corporate whose residence or establishment is located in Macao; or (3) a non-local resident who has set up commercial or industrial establishment in Macao.

REGULATIONS ON THE PROHIBITION OF ILLEGAL WORK

The Regulations on the Prohibition of Illegal Work (Administrative Regulation No.17/2004) prohibits non-residents from working in Macao without first obtaining the requisite documents/authorisations.

Under the said regulations, the following are considered illegal work:

1. non-residents engaging in activities without the necessary permits required for such activities, even if unpaid;
2. non-residents holding a permit to work for others but providing services to entities other than those that applied for their employment, regardless of whether they are paid or unpaid;
3. non-residents holding a permit to work for others but engaging in activities without complying with other mandatory employment conditions stipulated in the relevant permit; or
4. non-residents engaging in activities for their own benefit without adhering to the conditions specified in the said regulations.

The said regulations provide that the following situations are exemptions:

1. Where an agreement has been concluded between companies based outside Macao, and natural persons or bodies corporate based in Macao;
2. The agreement is for the performance of specific and occasional works or services, in particular, when there is a need to use workers from outside Macao to provide management, technical, quality control or inspection services; and

REGULATORY OVERVIEW

3. The purpose of work or service is limited to a maximum period of 45 days for each six-month period, whether consecutive or intermittent. Such shall be counted from the date of the non-resident’s legal entry into Macao.

LEGAL REGIME OF IMMIGRATION CONTROL, STAY AND RESIDENCE AUTHORISATION

The Legal Regime of Immigration Control, Stay and Residence Authorisation (Law No.16/2021) aims to update and compile the legislation on entry, stay and residency in Macao.

Article 73 of the said legal regime provides that anybody who receives work from a non-resident who does not have the requisite documents/authorisations may be punishable by imprisonment for up to 2 years and, in the event of a repeat offense, imprisonment of 2 to 8 years and subject to an administrative fine. This is regardless of the nature and form of the contract entered into, or the type of remuneration or consideration.

TAX LAWS

Macao practices an independent taxation system. According to Article 106 of the Basic Law of Macao, it has a low tax policy and enacts its own laws and regulations concerning types of taxes, tax rates, tax reductions, allowances and expenditures, and other matters of taxation (Article 106 of the Basic Law of Macao).

Macao follows a calendar fiscal year and its taxation system categorises different types of taxes into direct and indirect taxes which are levied on income as well as on assets and wealth. The most relevant taxes, both administered by the Financial Services Bureau, for the Group’s activity in Macao are (i) Industrial Contribution (Law No. 15/77/M, dated 31 December 1977), which corresponds to an annual fixed payment for the operation of industrial and commercial activities in Macao, and (ii) Corporate Profits Tax (Law No. 21/78/M, dated 9 September 1978), which corresponds to profit tax on earnings from business activities.

TAX CODE

The Tax Code (Law No. 24/2024) took full effect on 1 January 2026. The code compiles all tax laws currently in force in Macao and establishes a modern tax regime that is compatible with international tax standards through clarifying the operation of the territorial source principle of taxation, introducing the transfer pricing rules and financial representative regime, and defining the rights and duties of all parties under the relevant tax laws, etc.

INDUSTRIAL CONTRIBUTION REGULATION

The Industrial Contribution Regulation (Law No. 15/77/M) stipulates that tax is levied upon all industrial and commercial activities in Macao, no matter if it is carried out by a natural person or body corporate.

There are fixed tax rates for different activities. For instance, the leasing of machinery and equipment is subject to a tax of MOP300.00 per year (Appendix I of Law No. 15/77/M).

Any person intending to engage in any industrial or commercial activity is required to submit to the Financial Services Bureau, either personally or through a representative a form M/1, at least 30 days before the probable starting date of the said activity.

REGULATORY OVERVIEW

INCOME TAX REGULATION

The Income Tax Regulation (Law No. 21/78/M, last amended by the Tax Code (Law No. 24/2024)) stipulates that the total income derived from industrial or commercial activities in Macao, no matter if it is carried out by a natural person or body corporate, are subject to supplementary taxation.

The amount of taxable income is determined by the Head of the Department of Contributions and Duties of the Macao Financial Services Bureau or by the Evaluation Commission, in respect of the tax returns filed. Where applicable, the amount of taxable income may be adjusted by the relevant authorities.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 1996, when Mr. Chan, an executive Director and Substantial Shareholder, established AHM in Hong Kong. Specialising in stage lighting and sound engineering design and configuration management, AHM laid the foundation for our growth and established a strong reputation in the industry over nearly three decades of operation.

In 2023, anticipating significant growth in the live entertainment and concert market in Hong Kong following the post-pandemic reopening of borders and key public initiatives, such as the Hong Kong Government’s Mega Arts and Cultural Events (ACE) Fund and the development of Kai Tak Sports Park, our Controlling Shareholder, Mr. Ng, and our Substantial Shareholder, Mr. Choi, acquired indirect equity interests in AHM. In July 2023, Mr. Ng acquired an indirect 51.12% interest in AHM through Giant Panda Holdings. Subsequently, in December 2023, Mr. Choi acquired an indirect 11% interest in AHM through King Flourish.

For further details of the experience of Mr. Chan and Mr. Ng, please refer to the section headed “Directors and senior management” of this document.

MILESTONES

The following sets out our major milestones:

Month/Year	Event
July 1996	Incorporation of AHM
December 1997	First time providing professional stage lighting and sound engineering services for live pop concerts at the Hong Kong Coliseum
August 2008	Provided sound engineering services for one of the sports events of a major international multi-sport event for athletes with physical, vision, and intellectual impairments
March 2013	First time providing professional stage lighting and sound engineering services at a 3-day international sports tournament
March 2025	Provided professional stage lighting and sound engineering services for the grand opening ceremony and inaugural large-scale entertainment event of a flagship sports and leisure complex

OUR CORPORATE DEVELOPMENT

AHM

Set out below is the brief corporate history of the incorporation and changes in the shareholdings of AHM, our principal operating subsidiary.

AHM was incorporated in Hong Kong with limited liability on 18 July 1996. Upon its incorporation, AHM was owned as to 50% and 50% by Mr. Chan and Mr. Chan Yau Ming, an Independent Third Party. AHM had subsequently undergone some share transfers and AHM was wholly-owned by Mr. Chan as at 29 March 2016.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

On 30 March 2016, Expert Success International Limited acquired 7,000 shares (representing 70% of the issued share capital) of AHM from Mr. Chan at a consideration of HK\$61,540,000 which was determined with reference to the historical financial performance of AHM, the business and growth prospects of the business of AHM, and the profit guarantee given to the purchaser. Expert Success International Limited was at the material time an indirect wholly-owned subsidiary of CCT Fortis Holdings Limited (“**CCT Fortis**”), a company whose shares are listed on the Main Board of the Stock Exchange. Immediately after the said transfer, AHM was owned by Expert Success International Limited and Mr. Chan as to 70% and 30%, respectively. On 11 November 2016, Expert Success International Limited and Mr. Chan transferred their entire shareholding (10,000 shares in aggregate) in AHM to Colour Tone, an indirect subsidiary of CCT Fortis, at the total consideration of HK\$87,914,286. Immediately after the said transfer, AHM was wholly-owned by Colour Tone which was in turn wholly-owned by HMI Holdings Limited, which was in turn owned by DeMain Culture Media Holdings Limited (formerly known as imagine.nation Culture Media Holdings Limited) (“**DeMain Culture**”), a then wholly-owned subsidiary of CCT Fortis and Mr. Chan as to 70% and 30%, respectively. AHM became a wholly-owned subsidiary of Colour Tone since such transfer and before the Reorganisation. On 27 May 2020, DeMain Culture acquired one share (representing the entire issued share capital) of Colour Tone from HMI Holdings Limited at nominal consideration and on 28 May 2020, Colour Tone issued and allotted 71 shares and 28 shares to DeMain Culture and Mr. Chan, respectively for cash at par. Immediately after the said transfer and allotment, Colour Tone was owned as to 72% and 28% by DeMain Culture and Mr. Chan, respectively.

Mr. Ng was confident in the vast development potential and prospects of the stage lighting and sound engineering market, the mega event economy and the entertainment industry in Hong Kong. On 20 July 2023, Giant Panda Group Holdings Limited (“**Giant Panda Holdings**”), a company wholly-owned by Mr. Ng, entered into a sale and purchase agreement with Gold Star Culture Media Holdings Limited (formerly known as CCT Culture Media Group Limited) (“**Gold Star**”), a wholly-owned subsidiary of CCT Fortis, pursuant to which Giant Panda Holdings agreed to acquire 71% of the issued share capital of DeMain Culture from Gold Star at the cash consideration of HK\$30 million. The consideration was determined after arm’s length negotiations between the parties with reference to, among others, the consolidated total assets and net asset value of DeMain Culture and its subsidiaries including AHM of approximately HK\$64 million and HK\$19 million respectively as at 31 December 2022. Immediately after the aforesaid transfer, DeMain Culture was owned as to 71% by Giant Panda Holdings and 29% by Gold Star. At the material time, AHM was wholly-owned by Colour Tone which was in turn owned by DeMain Culture and Mr. Chan as to 72% and 28%, respectively.

On 15 December 2023, Mr. Choi, through King Flourish Limited, a company wholly-owned by him, acquired 11% of the issued share capital of Colour Tone from Gold Star at the cash consideration of HK\$4.75 million which was determined with reference to 3.6 times of the then estimated net profit of AHM for the financial year ended 31 December 2023 multiplied by the percentage of indirect interest in AHM sold to King Flourish Limited. At the material time and before the Reorganisation, AHM was wholly-owned by Colour Tone which was in turn owned by DeMain Culture, Mr. Chan and King Flourish Limited as to 61%, 28% and 11%, respectively. DeMain Culture was then owned by Giant Panda Holdings and Gold Star as to 83.6% and 16.4%, respectively as a result of the transfer of 12.6% of the issued share capital of DeMain Culture from Gold Star to Giant Panda Holdings at the consideration of HK\$1.00 on 14 December 2023. On 28 February 2025, King Flourish Limited acquired 16.4% of the issued share capital of DeMain Culture from Gold Star at the cash consideration of HK\$5.9 million which was determined with reference to 3.2 times of the then estimated net profit of the subsidiaries of DeMain Culture including AHM for the financial year ended 31 December 2024 multiplied by the percentage of indirect interest in the subsidiaries of DeMain Culture including AHM

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

held by King Flourish Limited after the acquisition. Subsequently, DeMain Culture was held by Giant Panda Holdings and King Flourish Limited as to 83.6% and 16.4%, respectively. Colour Tone was held by DeMain Culture, Mr. Chan and King Flourish Limited as to 61%, 28% and 11%, respectively.

On 30 April 2026, a shareholder’s loan owed by AHM to Colour Tone in the amount of HK\$17,185,153.12 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.

As part of the Reorganisation, on 20 August 2026, pursuant to a sale and purchase agreement dated 20 August 2026 entered into between Colour Tone as vendor and AHM Group as purchaser, AHM Group acquired 20,000 shares of AHM, representing its entire issued share capital, from Colour Tone at the consideration of HK\$1. After the aforesaid Reorganisation and as at the Latest Practicable Date, AHM was wholly-owned by AHM Group.

CORPORATE REORGANISATION

In preparation for the [REDACTED], the companies comprising our Group underwent the Reorganisation, pursuant to which our Company became the holding company of our Group. The main steps of the Reorganisation were:

(a) Loan capitalisation of AHM

On 30 April 2026, a shareholder’s loan owed by AHM to Colour Tone in the amount of HK\$17,185,153.12 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.

(b) Incorporation of Evergreen Bamboo, Smart Production, Bright Prosper, our Company and AHM Group

- (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\$1.00 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\$1.00 each in one single class or series. On 13 May 2026, 100 ordinary shares of Smart Production was allotted and issued to Mr. Chan, 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\$1.00 each in one single class or series. On 29 April 2026, 100 ordinary shares of Bright Prosper was allotted and issued to Mr. Choi, representing the entire issued shares of Bright Prosper.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

- (iv) Our 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.
- (v) AHM Group 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\$1.00 each in one single class or series. On 17 August 2026, 100 ordinary shares of AHM Group were allotted and issued to our Company, representing the entire issued share capital of AHM Group.

(c) Acquisition of AHM by AHM Group

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

The above acquisition of the entire issued share capital of AHM was properly and legally completed.

As a result of the Reorganisation, our Company became the holding company of the Group.

INCREASE IN AUTHORISED SHARE CAPITAL

On [date], our Company increased its authorised share capital from HK\$[REDACTED] divided into [REDACTED] Shares of HK\$0.01 each to [HK\$[REDACTED]] divided into [REDACTED] Shares of HK\$[0.01] each by the creation of an additional [REDACTED] Shares of HK\$0.01 each.

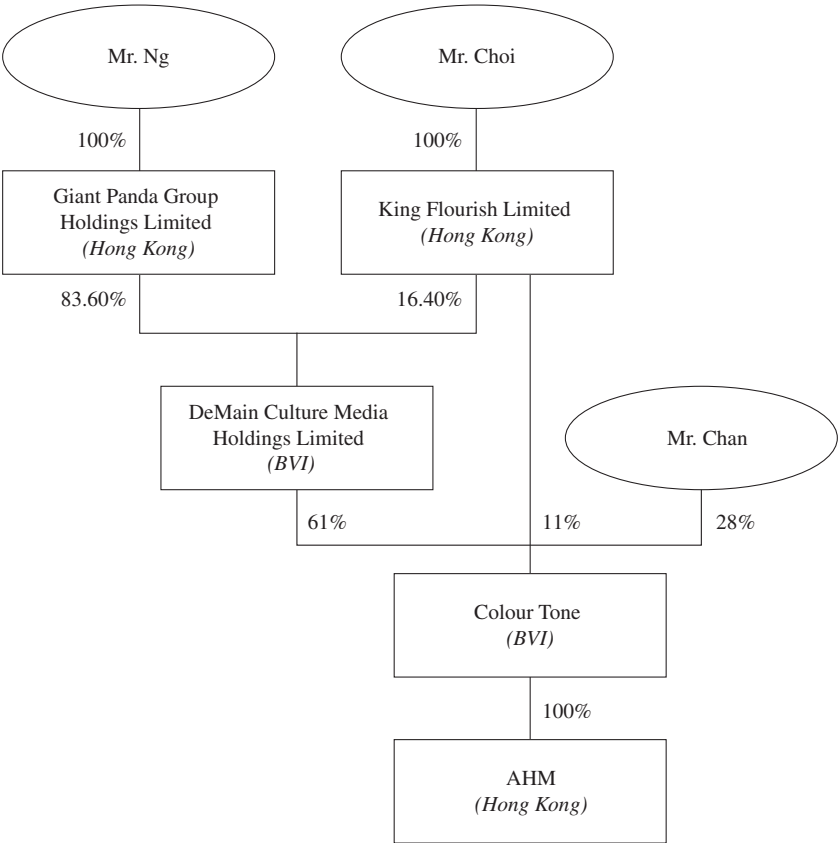
[REDACTED]

Conditional upon the share premium account of our Company being credited as a result of the issue of the [REDACTED] by our Company pursuant to the [REDACTED], our Directors will be authorised to capitalise the amount of HK\$[REDACTED] from the share premium account of our Company by applying such sum towards the paying up in full at par a total of [REDACTED] Shares for the issue and allotment to the then Shareholders, being Evergreen Bamboo, Smart Production and Bright Prosper.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

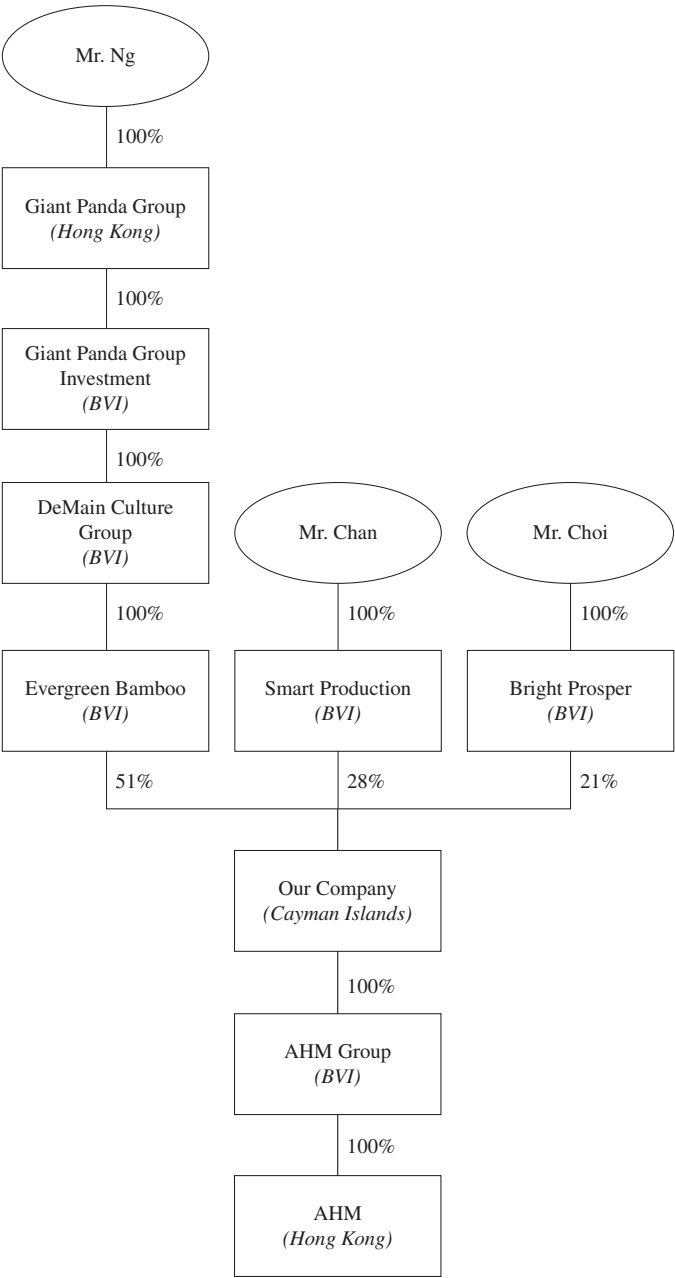
CORPORATE STRUCTURE

Set forth below was the corporate structure of our Group immediately prior to the Reorganisation:



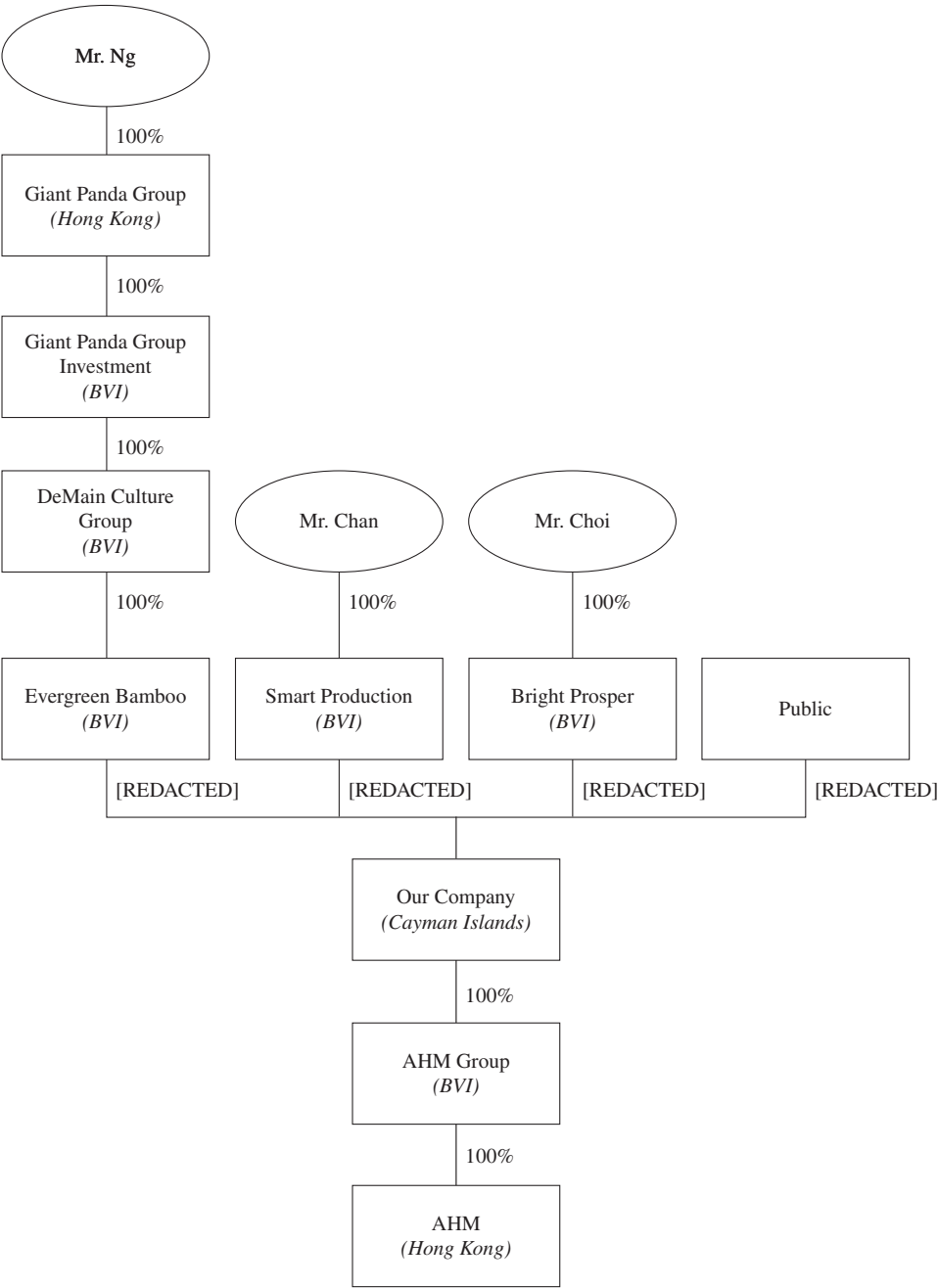
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Set forth below is the corporate structure of our Group after the Reorganisation but immediately prior to the [REDACTED] and the [REDACTED]:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Set forth below is the corporate structure of our Group following completion of the [REDACTED] and the [REDACTED]:



HISTORY, REORGANISATION AND CORPORATE STRUCTURE

PUBLIC FLOAT

Pursuant to Rule 11.23(7) of the GEM Listing Rules, where the expected market value at the time of [REDACTED] does not exceed HK\$6,000,000,000, at least [REDACTED]% of the total issued share capital of our Company must at all times be held by the public. Immediately following completion of the [REDACTED] and the [REDACTED], the following Shareholders will be core connected persons of our Company and accordingly, Shares held by them will not be counted towards the public float for the purpose of Rule 11.23(7) of the GEM Listing Rules:

- Mr. Ng, an executive Director and a Controlling Shareholder;
- Mr. Chan, an executive Director and a Substantial Shareholder; and
- Mr. Choi, a Substantial Shareholder.

Accordingly, immediately following completion of the [REDACTED] and the [REDACTED], approximately [REDACTED]% of our issued Shares will be held by the public and be counted towards the public float for the purpose of Rule 11.23(7) of the GEM Listing Rules irrespective of the final [REDACTED].

FREE FLOAT

Rule 11.23A of the GEM Listing Rules provides that there must be sufficient shares for which [REDACTED] is sought by a new applicant that are held by the public and available for trading upon [REDACTED]. This will normally mean that the portion of the class of shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the GEM Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (1) represent at least 10% of the total number of issued shares in the class of shares for which [REDACTED] is sought (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than HK\$15,000,000; or (2) have an expected market value at the time of [REDACTED] of not less than HK\$600,000,000. Upon [REDACTED], our Shares that are counted towards the public float are not subject to lock-up, and thus our Company is expected to satisfy the free float requirement under Rule 11.23A of the GEM Listing Rules.

BUSINESS

OVERVIEW

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

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

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

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

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

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

BUSINESS

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

OUR COMPETITIVE STRENGTHS

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

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

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

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

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

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

We are an integrated stage lighting and sound engineering services provider

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

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

BUSINESS

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

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

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

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

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

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

BUSINESS

OUR BUSINESS STRATEGIES

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

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

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

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

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

Expand our business in Greater Bay Area

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

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

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

Strengthen our management and operational capabilities through savvy and expertise

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

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

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

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

OUR BUSINESS MODEL

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

Stage lighting engineering services

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

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Sound engineering services

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

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

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

Other services

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

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

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

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Our revenue by types of services

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

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

Notes:

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

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OUR PROJECTS

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

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

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

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

For the year ended 31 December 2024

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

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For the year ended 31 December 2025

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

For the five months 31 May 2026

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

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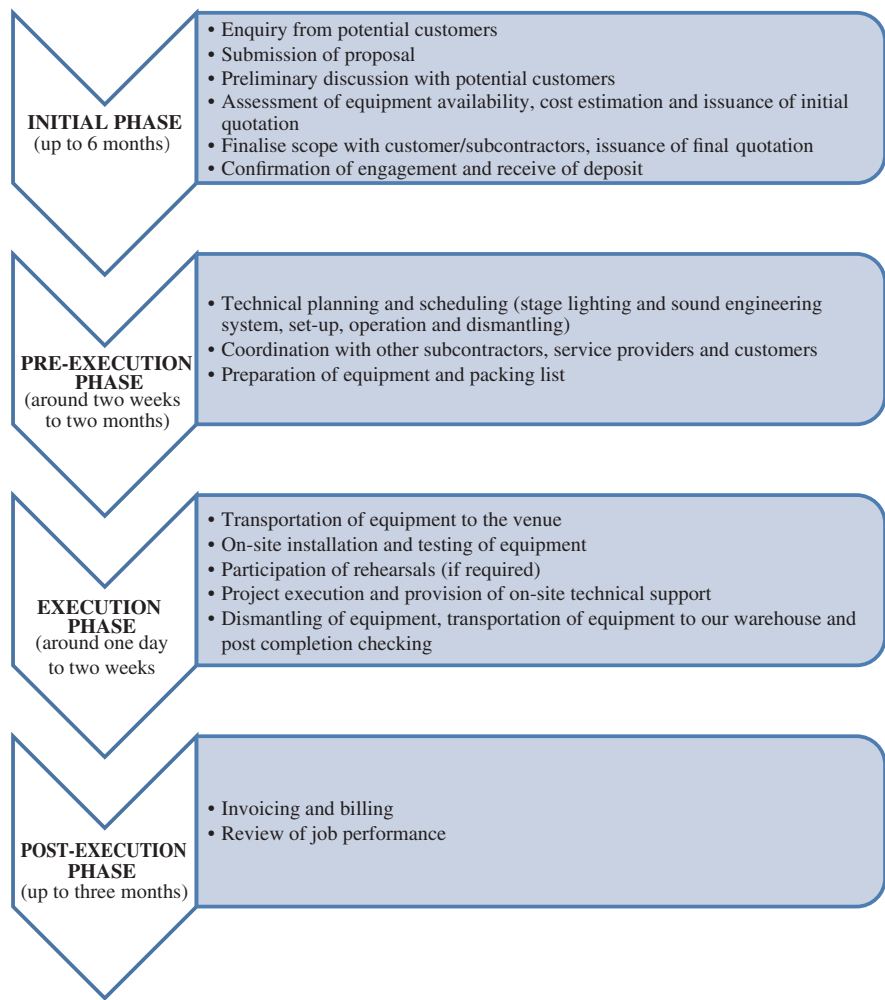
We are engaged by customers on a project-by-project basis and, unless otherwise agreed, there are no long-term agreements between our Group and our customers. Contracts entered into between customers and us generally set out, among other matters, the contract price, contract period, type and scope of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

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

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OUR PROCESS

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



Initial phase

Enquiry from potential customers

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

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Submission of proposal

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

Preliminary discussion with potential customers

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

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

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

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

Finalise scope with customer/subcontractors, issuance of updated quotation

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

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Confirmation of engagement and receive of deposit

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

Pre-execution phase

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

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

Preparation of equipment packing list

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

Execution phase

Transportation of equipment to the venue

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

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

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

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

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

Project execution and provision of on-site technical support

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

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

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

Post-execution phase

Invoicing and billing

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

Review of job performance

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

Sale and installation of lighting and sound equipment

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

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

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

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

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

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

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

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

Other services

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

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

OUR CUSTOMERS

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

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

For the year ended 31 December 2024

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

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For the year ended 31 December 2025

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

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For the five months ended 31 May 2026

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

Notes:

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

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

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

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

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

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

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

PRICING STRATEGY

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

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

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

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

CREDIT POLICY

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

SALES AND MARKETING

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

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

Seasonality

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

OUR SUPPLIERS

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

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Relationship with our suppliers

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

Selection of our suppliers

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

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

Principal terms of engagement

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

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

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

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

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

For the year ended 31 December 2024

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

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For the year ended 31 December 2025

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

For the five months ended 31 May 2026

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

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Notes:

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

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

ENTITIES WHICH ARE OUR CUSTOMERS AND ALSO OUR SUPPLIERS

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

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

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

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

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

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

For the year ended 31 December 2024

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

For the year ended 31 December 2025

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

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For the five months ended 31 May 2026

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

INVENTORY

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

EQUIPMENT

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

Lighting equipment

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

Sound equipment

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

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

Equipment utilisation rate

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

Useful life and average age of equipment

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

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

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

Repair and maintenance

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

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

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WAREHOUSING

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

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

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

TRANSPORTATION AND DELIVERY

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

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

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

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

QUALITY CONTROL

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

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

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

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

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

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

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

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

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

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

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

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

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

COMPETITION

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

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

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

Substantial capital is required to upgrade and replace existing equipment

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

Technical expertise and skilled personnel

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

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Operational track record and brand reputation

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

Supplier and subcontractor networks

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

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

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AWARDS AND RECOGNITIONS

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

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

EMPLOYEE

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

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

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

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

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

Work safety and environmental matters

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

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

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

INSURANCE

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

BUSINESS

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

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

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

RESEARCH AND DEVELOPMENT

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

PROPERTIES

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

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

COMPLIANCE AND LEGAL PROCEEDINGS

Legal Proceedings

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

BUSINESS

Non-compliance

Land use

Incident and reasons

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

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

Legal consequences and impacts

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

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

BUSINESS

Tax filing in Macao

Incident and reasons

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

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

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

Legal consequences and impacts

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

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

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

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

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

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

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

BUSINESS

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

LICENSES, PERMITS AND CERTIFICATES

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

INTELLECTUAL PROPERTY

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

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”)

Overview

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

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

BUSINESS

ESG Governance

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

ESG governance structure

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

The Board:

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

Senior management:

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

Working group:

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

ESG risk management

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

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

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Environmental:

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

Social:

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

ESG goals and targets

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

Environmental:

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

Social:

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

BUSINESS

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

Environmental

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

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

Climate-change management

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

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

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

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

BUSINESS

Emission management

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

Greenhouse gas emissions

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

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

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

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

Air pollutants emissions

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

Noise pollution

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

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

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

Resource management

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

Energy consumption

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

Electricity and fuel saving measures include but not limited to:

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

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

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

Packaging Materials and Consumables

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

Social

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

Employment and labour practices

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

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

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

BUSINESS

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

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

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

Occupational health and safety

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

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

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

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

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

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

Supply chain management

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

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

Product and service responsibility

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

BUSINESS

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

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

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

Anti-corruption

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

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

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

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

Outlook and Prospect

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

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

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INTERNAL CONTROL AND RISK MANAGEMENT

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

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

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

CONTINUING CONNECTED TRANSACTIONS

OVERVIEW

Pursuant to Chapter 20 of the GEM Listing Rules, the Directors, the Controlling Shareholders, the Substantial Shareholders and the chief executive of the Company or any of its subsidiaries, any person who was the Director or a director of the Company’s subsidiaries within 12 months preceding the [REDACTED] and any of their respective associates will become a connected person of the Company upon the [REDACTED]. Upon the [REDACTED], our transactions with such connected persons will constitute connected transactions under Chapter 20 of the GEM Listing Rules.

Our Directors confirm that the following transactions which will continue after the [REDACTED] will constitute continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

Exempted continuing connected transaction

Master services agreement in respect of the provision of stage lighting and sound engineering services by AHM

On [date], our Company entered into a master services agreement (the “**168 Master Services Agreement**”) with 168 Production, pursuant to which 168 Production agreed to engage our Company and/or its subsidiaries to provide, and our Company agreed to provide, or procure its subsidiaries to provide, stage lighting and sound engineering services (the “**Services**”) for a term commencing from the [REDACTED] and ending on [31 December 2028].

The fee charged by our Group for the Services under the 168 Master Services Agreement will be determined after arm’s length negotiations with reference to the prices charged by our Group to its other customers who are Independent Third Parties for similar services.

For each of the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, fees charged by our Group for the Services were approximately HK\$2.7 million, HK\$2.9 million and HK\$2.0 million respectively.

168 Production is wholly-owned by Ms. Chan Wing Sze Vinci, the daughter of Mr. Chan, the Substantial Shareholder, an executive Director and the co-chief executive officer of the Company. As such, 168 Production is an associate of a connected person of the Company and the transactions under the 168 Master Services Agreement constitute continuing connected transactions for our Company.

The 168 Master Services Agreement is a framework agreement which provides the mechanism for the operation of the connected transaction described therein. It is envisaged that from time to time and as required, individual retainers will be placed by 168 Production with our Group. Each individual retainer will set out in detail the scope and specifications of the relevant services as required by 168 Production from our Group, the fee for the relevant services and the payment terms, etc. The individual retainers may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the 168 Master Services Agreement and the GEM Listing Rules. As the individual retainers are simply further elaborations on the Services as contemplated by the 168 Master Services Agreement, they do not constitute new categories of connected transactions as far as the GEM Listing Rules are concerned.

CONTINUING CONNECTED TRANSACTIONS

GEM Listing Rules implication

Each of the transactions under the 168 Master Services Agreement is a de minimis transaction (as defined under Rule 20.74(1) of the GEM Listing Rules) based on the percentage ratio calculated in accordance with Chapter 20 of the GEM Listing Rules. Accordingly, the reporting, announcement, circular, annual review and independent shareholders’ approval requirements in Chapter 20 of the GEM Listing Rules in respect of the 168 Master Services Agreement are fully exempt.

Non-exempted continuing connected transaction

Master services agreement in respect of the provision of stage lighting and sound engineering services by AHM

On [date], our Company entered into a master services agreement (the “**DC Master Services Agreement**”) with DeMain Culture Group, pursuant to which DeMain Culture Group agreed to engage, or procure its subsidiaries to engage, our Company and/or its subsidiaries, and our Company agreed to provide, or procure its subsidiaries to provide, stage lighting and sound engineering services (the “**Relevant Services**”) for a term commencing from the [REDACTED] and ending on [31 December 2028].

The fee charged by our Group for the Relevant Services under the DC Master Services Agreement will be determined after arm’s length negotiations with reference to prices charged by our Group to its other customers who are Independent Third Parties for similar services.

For each of the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, fees charged by our Group for the Relevant Services were approximately HK\$0.3 million, HK\$3.2 million and HK\$1.4 million respectively.

DeMain Culture Group is wholly-owned by Mr. Ng, the Controlling Shareholder, an executive Director, our Chairman of the Board and the co-chief executive officer of the Company. As such, DeMain Culture Group is an associate of a connected person of the Company and the transactions under the DC Master Services Agreement constitute continuing connected transactions for our Company.

Our Directors estimate that the maximum transaction amount under the DC Master Services Agreement will not exceed HK\$4.0 million, HK\$4.0 million and HK\$4.0 million for each of the three years ending 31 December 2026, 2027 and 2028 respectively. Such estimate is based on (i) the anticipated future demand for the service of our Group from DeMain Culture Group with reference to the anticipated volume of business of DeMain Culture Group which requires our Relevant Services; and (ii) the historical transaction amount during the year ended 31 December 2025.

The DC Master Services Agreement is a framework agreement which provides the mechanism for the operation of the connected transaction described therein. It is envisaged that from time to time and as required, individual retainers will be placed by DeMain Culture Group and/or its subsidiaries with our Group. Each individual retainer will set out in detail the scope and specifications of the relevant services as required by DeMain Culture Group and/or its subsidiaries from our Group, the fee for the relevant services and the payment terms, etc. The individual retainers may only contain provisions which are in all material respects consistent with the binding principles, guidelines, terms and conditions set out in the DC Master Services Agreement and the GEM Listing Rules. As the individual retainers are simply further elaborations on the Relevant Services as contemplated by the DC Master Services Agreement, they do not constitute new categories of connected transactions as far as the GEM Listing Rules are concerned.

CONTINUING CONNECTED TRANSACTIONS

GEM Listing Rules implication

Since each of the applicable percentage ratios (other than the profits ratio) for the DC Master Services Agreement is less than 5% and the transactions contemplated under the DC Master Services Agreement are conducted on normal commercial terms or better, the transactions contemplated under the DC Master Services Agreement are subject to the reporting and announcement requirements but are exempted from the circular and independent shareholders’ approval requirements under Chapter 20 of the GEM Listing Rules.

PRICING POLICY

Our pricing is determined on a cost plus basis and is set project by project. In establishing the price scale for a project, we take into account, among other factors: the scope, scale, duration and complexity of the project; the estimated types and quantities of lighting and sound equipment required; the level of personnel needed for set up, operation and dismantling; the requested completion date and programme constraints; and any specific customer requirements, venue conditions and expected third party costs.

Under the 168 Master Services Agreement and the DC Master Services Agreement, the service fees shall be agreed following arm’s length negotiations between the parties with reference to the prevailing market rates. Market rates refer to the rates at which the same or similar type of services are provided to Independent Third Parties under normal commercial terms.

When determining the pricing standard, to the extent practicable, management of the Company will take into account the rates of at least two similar and comparable transactions entered with Independent Third Parties in the corresponding period of reference.

REASONS FOR AND BENEFITS OF THE 168 MASTER SERVICES AGREEMENT AND DC MASTER SERVICES AGREEMENT

Each of 168 Production and the subsidiaries of DeMain Culture Group previously engaged our Group to provide stage lighting and sound engineering services for their respective performance or show. Each of 168 Production and DeMain Culture considered our Group can provide them with desirable profession services based on its personnel with professional knowledge and experience and it will be commercially advisable to engage the Group to provide such services. On the other hand, the transactions under the 168 Master Services Agreement and DC Master Services Agreement will provide an additional, reliable and stable source of income for our Group.

WAIVER

We [have applied] to the Stock Exchange for, and the Stock Exchange [has granted] us, a waiver from strict compliance with the announcement requirement of the GEM Listing Rules in respect of the continuing connected transaction contemplated under the DC Master Services Agreement subject to (a) the above non-exempted continuing connected transaction being carried out in compliance with the requirements of the GEM Listing Rules and we shall comply with the relevant requirements for continuing connected transaction in accordance with Chapter 20 of the GEM Listing Rules; and (b) the aggregate value of such transaction for each financial year not exceeding the relevant annual cap amount set forth in the respective caps stated above.

CONTINUING CONNECTED TRANSACTIONS

DIRECTORS’ VIEW

The Directors, including the independent non-executive Directors, consider that (i) all the continuing connected transactions above will be entered into in the ordinary and usual course of our business and will provide an additional, reliable and stable source of income for our Group, conducted on normal commercial terms or better and are fair and reasonable and in the interests of our Shareholders as a whole; and (ii) the annual caps of the non-exempted continuing connected transaction above are fair and reasonable and in the interests of the Shareholders as a whole.

JOINT SPONSORS’ VIEW

The Joint Sponsors have (i) reviewed the relevant documents and information provided by our Company in relation to the continuing connected transactions described above; (ii) obtained necessary representations and confirmations from our Company and the Directors; and (iii) participated in the due diligence and discussions with the management of our Group.

Based on the above, the Joint Sponsors concur with the view that (i) the DC Master Service Agreement and the transactions contemplated thereunder are in the ordinary and usual course of our business of our Group, on normal commercial terms or better, are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (ii) the proposed annual caps are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

DIRECTORS AND SENIOR MANAGEMENT

DIRECTORS AND SENIOR MANAGEMENT

Our Board currently consists of seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. The table below sets out certain information in respect of the members of our Board:

Name	Age	Date of joining our Group	Date of appointment as Director	Position	Roles and responsibility	Relationship with other Director(s) and our senior management
Ng Kam Shing (吳錦勝)	43	27 July 2023	12 August 2026	Executive Director, Chairman of our Board and co-chief executive officer of our Group	Responsible for our Group's strategic planning and supervision of implementation of our Group's policies and serving as the chairman of our Nomination Committee	None
Chan Muk Hing (陳木興)	71	18 July 1996	12 August 2026	Executive Director and co-chief executive officer of our Group	Responsible for supervision of implementation of our Group's policies and overall management of our Group	Mr. Chan is the uncle of Mr. Yeung Kwok Chu, Thompson, our senior management
Wong Pui Tak (黃培德)	40	22 April 2025	12 August 2026	Non-executive Director	Responsible for supervising and providing advice on our Group's strategy and business development to our Board	None
Chan Ching Man (陳靜文)	42	17 August 2026	17 August 2026	Non-executive Director	Responsible for supervising and providing advice on our Group's strategy and business development to our Board and serving as a member of our Nomination Committee	None
Ma Ying Lung (馬詠龍)	56	17 August 2026	17 August 2026	Independent non-executive Director	Supervising and providing independent opinion and judgement to our Board and serving as the chairman of our Audit Committee and a member of our Remuneration Committee and Nomination Committee	None
Choy Wong Hoi Peter (蔡王凱)	47	17 August 2026	17 August 2026	Independent non-executive Director	Supervising and providing independent opinion and judgement to our Board and serving as the chairman of our Remuneration Committee and a member of our Nomination Committee and Audit Committee	None
Coe Harvey (許德之)	64	17 August 2026	17 August 2026	Independent non-executive Director	Supervising and providing independent opinion and judgement to our Board and serving as a member of our Remuneration Committee, Nomination Committee and Audit Committee	None

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Ng Kam Shing (吳錦勝) (“**Mr. Ng**”), aged 43, is our executive Director, Chairman of our Board, co-chief executive officer of our Group and our Controlling Shareholder. He was appointed as an executive Director on 12 August 2026. He is the chairman of our Nomination Committee. He has also been a director of AHM since 27 July 2023. He is primarily responsible for our Group’s strategic planning and the supervision of the implementation of our Group’s policies.

Mr. Ng obtained a bachelor’s degree in Social Science from The Chinese University of Hong Kong in December 2005 and a master’s degree in Architecture from The Chinese University of Hong Kong in December 2009.

Mr. Ng has approximately 15 years of experience in the architecture industry, with a focus on architectural design, building consultancy and project management. Mr. Ng is the founder, the principal and a director of Architectural Project Unit Limited, a company principally engaged in master planning, architecture, building consultancy, interior design and building information modelling (BIM) consultancy since 2012. In October 2024, he also founded Giant Panda Group Investment Holdings Limited, a company incorporated in the BVI, which (together with its subsidiaries) are principally engaged in the provision of advisory and consultancy services, venue operation, artificial intelligence, cultural and creative producing and organising live performances.

Professional qualifications and memberships held by Mr. Ng

Mr. Ng holds or has held the following, including but not limited to, professional qualifications and memberships:

The Hong Kong Institute of Architects	Member, BIM Pro (HKIA)
Architects Registration Board	Registered Architect
Hong Kong Construction Arbitration Centre	Ordinary Member
Construction Industry Council (CIC)	CIC-Certified BIM Manager

Immediately following completion of the [REDACTED] and the [REDACTED], Mr. Ng will be interested in [REDACTED] Shares, representing [REDACTED]% of the issued share capital of our Company within the meaning of Part XV of the SFO.

Mr. Ng was a director of the following company prior to its dissolution:

Name of company	Place of incorporation	Principal business activities prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
Papaya Food & Beverage Limited	Hong Kong	Food & Beverage	29 May 2020	dissolved by striking off	cessation of business

Mr. Ng confirmed that he has not been involved in any dispute with the above company’s creditors, shareholders and directors in respect of the dissolution, that the above company has been dissolved with no outstanding liability or claim in relation thereto, had no material non-compliances or litigations before its dissolution and was solvent at the time of dissolution, that the dissolution of the company had not resulted in any liability or obligation being imposed against him, that his involvement in the above company was in relation to his appointment as director of the company and that no misconduct or misfeasance on his part had been involved in the dissolution.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Chan Muk Hing (陳木興) (“**Mr. Chan**”), aged 71, was appointed as an executive Director on 12 August 2026. Mr. Chan is the founder and co-chief executive officer of our Group and is responsible for the supervision of the implementation of our Group’s policies and overall management of our Group. He has also been a director of AHM since 18 July 1996.

Mr. Chan has over 40 years of experience in the entertainment production industry. He has served as the managing director of our Group since 1997. He is responsible for our Group’s strategic planning, operations, risk management, stakeholder relations, and business development.

Prior to founding our Group, Mr. Chan was employed by Tom Lee Music Co Ltd from 1984 to 1996. He served as a sound engineer from 1984 to 1989, chief sound engineer from 1989 to 1995 and manager from 1995 to 1996. During his tenure at Tom Lee Music Co Ltd, he was responsible for client relationship management, project oversight, implementing departmental strategies, and performance monitoring and reporting.

Immediately following the completion of the [REDACTED] and the [REDACTED], Mr. Chan will be interested in [REDACTED] Shares, representing [REDACTED]% of the issued share capital of our Company within the meaning of Part XV of the SFO.

Non-Executive Directors

Mr. Wong Pui Tak (黃培德) (“**Mr. Wong**”), aged 40, was appointed as a non-executive Director of our Company on 12 August 2026. He is primarily responsible for supervising and providing advice on our Group’s strategy and business development to our Board.

Mr. Wong obtained a bachelor’s degree in Business Administration from The Chinese University of Hong Kong in December 2009.

Mr. Wong has over 16 years of experience in the audit and financial industry. He worked in Deloitte Touche Tohmatsu as an associate in the audit department from October 2009 to September 2011. He was subsequently promoted to senior and served from October 2011 to February 2012. He later transferred to Deloitte & Touche Financial Advisory Services Limited and served his last position as a senior associate in the M&A transaction services department from February 2012 to December 2013. Mr. Wong subsequently worked at SEAVI Advent Ocean Private Equity Limited from July 2015 to March 2017, with his last position being an investment associate. Mr. Wong is currently a managing director – private equity of Kingsway Financial Services Group Limited and has been its licensed representative since October 2017. He is licensed to conduct Type 1 (dealing in securities) and Type 9 (asset management) activities under the SFO.

Ms. Chan Ching Man (陳靜文) (“**Ms. Chan**”), aged 42, was appointed as a non-executive Director on 17 August 2026. She also serves as a member of our Nomination Committee. She is primarily responsible for supervising and providing advice on our Group’s strategy and business development to our Board.

Ms. Chan obtained a bachelor’s degree in Laws from the University of Hong Kong in December 2006 and a Postgraduate Certificate in Laws from the same university in June 2008. She was admitted as a solicitor of the High Court of Hong Kong in December 2010 and obtained the qualification to practise law in the Guangdong-Hong Kong-Macao Greater Bay Area in 2024.

Ms. Chan was employed as an assistant solicitor in Messrs. Lo and Lo from January 2011 to March 2012 and as a consultant solicitor in Messrs. K.M. Tang & Co from May 2012 to January 2016. She established Messrs. Chan Ching Man & Co in 2016 and has been its principal solicitor since then.

DIRECTORS AND SENIOR MANAGEMENT

Ms. Chan has 15 years of experience in representing both corporate and individual clients, including advising on commercial matters and handling dispute resolution cases.

Independent non-executive Directors

Mr. Ma Ving Lung (馬詠龍) (“**Mr. Ma**”), aged 56, was appointed as an independent non-executive Director on 17 August 2026. Mr. Ma is the chairman of our Audit Committee and a member of our Nomination Committee and Remuneration Committee. He is primarily responsible for supervising and providing independent opinion and judgement to our Board.

Mr. Ma obtained a bachelor’s degree in administration studies from the York University in November 1995. He has been a certified public accountant and a fellow of the Hong Kong Institute of Certified Public Accountants since October 2000 and July 2017 respectively, a certificate of member of the American Institution of Certified Public Accountants since July 2000, a chartered global management accountant since July 2024 and a chartered tax accountant since January 2024.

Mr. Ma has over 28 years of experience in auditing, accounting and financial reporting. He worked as an audit assistant in Chan & Tang Certified Public Accountants from July 1995 to July 1996. He subsequently worked in PriceWaterHouseCoopers Limited from September 1996 to May 1999, with his last position being senior associate. From June 1999 to February 2000, Mr. Ma was an accountant of Carrier Hong Kong Limited. He was the financial controller of Vitop Bioenergy Holdings Limited from August 2000 to April 2002. From June 2002 to June 2004, he was a company secretary and qualified accountant of Shanxi Changcheng Microlight Equipment Company Limited, listed on the GEM of the Stock Exchange (stock code: 8286). Mr. Ma was employed by Young Wai Ching CPA as an audit senior from July 2004 to August 2007 and as an audit manager from March 2016 to March 2017. From September 2007 to October 2019, Mr. Ma was an accountant of Zhaojin Mining Industry Co Ltd, listed on the Main Board of the Stock Exchange (stock code: 1818), and a deputy general manager, financial controller and company secretary of Sparky International Co Ltd, a wholly-owned subsidiary of Zhaojin Mining Industry Co Ltd. Since January 2020, he has been a sole proprietor of Nelson Ma & Co. CPA.

Mr. Ma was an independent non-executive director of Mint Incorporation Ltd., a company listed on Nasdaq (stock code: MIMI), from August 2024 to June 2025. He also served as an independent non-executive director of JiaChen Holding Group Limited, listed on the Main Board of the Stock Exchange (stock code: 1937), from January 2020 to September 2021, and of Wanda Hotel Development Company Limited (formerly known as Hengli Commercial Properties (Group) Limited, listed on the Main Board of the Stock Exchange (stock code: 169), from November 2007 to July 2013.

Mr. Choy Wong Hoi Peter (蔡王凱) (“**Mr. Choy**”), aged 47, was appointed as an independent non-executive Director on 17 August 2026. Mr. Choy is the chairman of our Remuneration Committee and a member of our Nomination Committee and Audit Committee. He is primarily responsible for supervising and providing independent opinion and judgement to our Board.

He obtained a bachelor’s degree in Business Administration (Accounting) from The Hong Kong University of Science and Technology in November 2000.

Mr. Choy has around 14 years’ experience in the financial industry. He worked in YBN Services Limited from June 2011 to September 2017 with his last position as deputy chief investment officer. He was employed by Sfund International Investment Fund Management Limited from October 2017 to January 2019 with his last position as deputy investment director of investment department. Since July 2019, Mr. Choy has been a responsible officer of YBN Asset Management Limited, a company providing integrated solutions in clearing, execution, custody, financing and risk management. He is responsible for establishing and managing private equity funds, overseeing overall business operations

DIRECTORS AND SENIOR MANAGEMENT

and fund management activities, identifying, evaluating and screening investment opportunities, negotiating investment structures and terms with counterparties, and leading major developments of portfolio companies.

Mr. Coe Harvey (許德之) (“**Mr. Coe**”), aged 64, was appointed as an independent non-executive Director on 17 August 2026. He is a member of our Nomination Committee, Remuneration Committee and Audit Committee. He is primarily responsible for supervising and providing independent opinion and judgement to our Board.

Mr. Coe obtained a bachelor’s degree of Science in Applied Arts and Sciences Business Administration (Finance) in 1984, and a master’s degree in Business Administration from the San Diego State University in 1985. He was admitted as a full member of CPA Australia in 2018.

Mr. Coe has over 12 years experience in financial management. From 2014 to 2022, Mr. Coe was employed by Ernst & Young Group Limited as a partner. He has been a Senior Advisor of Ernst & Young Group Limited since September 2025.

Mr. Coe was a director of the following companies prior to their dissolution:

Name of company	Place of incorporation	Principal business activities prior to dissolution	Date of dissolution	Means of dissolution	Reason for dissolution
Ming Yee Music Center Company Limited	Hong Kong	no business activities	4 May 2012	dissolved by striking off	not in operation
Nanbantei Management (China) Company Limited	Hong Kong	no business activities	6 July 2007	dissolved by striking off	not in operation
Hong Kong Teakwood Works (China) Limited	Hong Kong	Trading	23 December 2011	dissolved by striking off	cessation of Business
Ming Yee Music Education Centre Limited	Hong Kong	Music	20 January 2012	dissolved by striking off	cessation of Business
Success Management Limited	Hong Kong	no business activities	27 May 2011	dissolved by striking off	not in operation
Barbara Fei Music and Cultural Education Foundation Limited	Hong Kong	no business activities	12 August 2026	dissolved by striking off	not in operation

Mr. Coe confirmed that he has not been involved in any dispute with the above companies’ creditors, shareholders and directors in respect of the dissolutions, that the above companies have been dissolved with no outstanding liability or claim in relation thereto, had no material non-compliances or litigations before their dissolutions and were solvent at the time of dissolutions, that the dissolutions of the companies had not resulted in any liability or obligation being imposed against him, that his involvements in the above companies were in relation to his appointments as director of the companies and that no misconduct or misfeasance on his part had been involved in the dissolutions.

Save as disclosed above and in the section headed “Substantial Shareholders” in this document, each of our Directors confirms with respect to himself/herself that: (i) he/she has not held any directorships in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas; (ii) he/she does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of our Company; (iii) he/she does not have any interests in our Shares within the meaning of Part XV of the SFO; (iv) there is no

DIRECTORS AND SENIOR MANAGEMENT

other information that should be disclosed for him/her pursuant to the requirements under Rules 17.50(2)(h) to (v) of the GEM Listing Rules; and (v) there are no other matters that need to be brought to the attention of holders of securities of our Company.

SENIOR MANAGEMENT

The table below sets out certain information in respect of the members of our senior management:

Name	Age	Date of joining our Group	Current position	Roles and responsibility	Relationship with Director(s) and our other members of senior management
Yeung Kwok Chu, Thompson (楊國柱)	54	1 September 2001	General manager	Responsible for business development and project management of our Group	Mr. Yeung is the nephew of Mr. Chan, our executive Director

Mr. Yeung Kwok Chu, Thompson (楊國柱) (“**Mr. Yeung**”), aged 54, was appointed as our general manager and director of AHM in 2016. He obtained a bachelor’s degree in Arts from the City Polytechnic of Hong Kong (now known as the City University of Hong Kong) in December 1994. Mr. Yeung has over 24 years of experience in the entertainment production sector.

Mr. Yeung joined our Group in 2001 and is responsible for identifying and developing business opportunities, formulating and implementing strategic initiatives aligned with our Group’s long-term objectives, and overseeing overall business direction and operations. He also supervises the execution of large-scale entertainment projects to ensure timely delivery, cost efficiency, and adherence to quality standards, and manages relationships with key clients, business partners, and other stakeholders.

Prior to joining our Group, Mr. Yeung was employed by Toppan Forms (HK) Ltd with his final position as a sales supervisor from 1994 to 2001, where he managed key client accounts, led a sales team, and supported business development and performance reporting.

As at the Latest Practicable Date and the three years immediately preceding, each member of our senior management confirms with respect to himself that he has not held any directorship in the last three years in any public companies, the securities of which are listed on any securities market in Hong Kong or overseas.

COMPANY SECRETARY

Ms. Cheng Hoi Lam (鄭凱霖) (“**Ms. Cheng**”) was appointed as our company secretary on 12 August 2026. She currently serves as a senior manager of company secretarial and advisory services Link Corporate Services Limited. She is responsible for providing corporate secretarial and compliance services to listed companies.

Ms. Cheng has over 12 years of experience in the accounting, company secretarial and corporate governance field. Ms. Cheng obtained a bachelor’s degree in accounting from the Hong Kong Shue Yan University in July 2013. Ms. Cheng is a member of the Hong Kong Institute of Certified Public Accountants.

BOARD COMMITTEES

We have established the following three board committees: an Audit Committee, a Remuneration Committee and a Nomination Committee. The committees operate in accordance with their terms of reference established by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established an Audit Committee on [date] with written terms of reference in compliance with Rule 5.28 and Rule 11.07(5) of the GEM Listing Rules and code provision D.3.3 of the CG Code as set out in Appendix C1 of the GEM Listing Rules.

Our Audit Committee has three members, namely Mr. Ma Ving Lung, Mr. Coe Harvey and Mr. Choy Wong Hoi Peter, all of whom are our independent non-executive Directors. The chairman of our Audit Committee is Mr. Ma Ving Lung.

The primary responsibilities of our Audit Committee include, among others, (i) providing an independent view on the effectiveness of the financial reporting process, internal control, compliance and risk management systems of our Group; (ii) overseeing the audit process and performing other duties and responsibilities as assigned by our Board; (iii) developing and reviewing our policies and practices on corporate governance, compliance with legal and regulatory requirements and requirements under the GEM Listing Rules; and (iv) developing, reviewing and monitoring the code of conduct applicable to our employees and Directors.

Remuneration Committee

We have established a Remuneration Committee on [date] with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and code provision E.1.2 of the CG Code as set out in Appendix C1 of the GEM Listing Rules.

Our Remuneration Committee has three members, namely Mr. Choy Wong Hoi Peter, Mr. Ma Ving Lung and Mr. Coe Harvey, all of whom are our independent non-executive Directors. The chairman of our Remuneration Committee is Mr. Choy Wong Hoi Peter.

The primary responsibilities of our Remuneration Committee include, among others, (i) making recommendations to our Board on our policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) reviewing and approving the management’s remuneration proposals with reference to our Board’s corporate goals and objectives; and (iii) making recommendations to our Board on the remuneration packages of Directors and senior management.

Nomination Committee

We established a Nomination Committee on [date] with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and code provision B.3.1 of the CG Code as set out in Appendix C1 of the GEM Listing Rules.

Our Nomination Committee has five members, namely Mr. Ng Kam Shing, Ms. Chan Ching Man, Mr. Coe Harvey, Mr. Ma Ving Lung and Mr. Choy Wong Hoi Peter. The chairman of our Nomination Committee is Mr. Ng Kam Shing.

The primary responsibility of our Nomination Committee include, among others, (i) reviewing the structure, size and composition of our Board on a regular basis; (ii) identifying individuals suitably qualified to become Board members; (iii) assessing the independence of independent non-executive Directors; and (iv) making recommendations to our Board on relevant matters relating to the appointment or re-appointment of Directors.

DIRECTORS AND SENIOR MANAGEMENT

Corporate governance functions

The terms of reference of our Board include, among others, (i) developing and reviewing our Company’s policies and practices on corporate governance and making recommendations to our Board; (ii) reviewing and monitoring the training and continuous professional development of Directors and senior management; (iii) reviewing and monitoring our Company’s policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) reviewing our Company’s compliance with the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules and disclosure in the corporate governance report and compliance with the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules.

BOARD DIVERSITY POLICY

Our Company has adopted a board diversity policy (the “**Board Diversity Policy**”), which sets out its approach to achieve and maintain diversity on our Board in order to enhance the effectiveness of our Board. Our Company recognises and embraces the benefits of the Board diversity to enhance the quality of its performance and endeavours to ensure that our Board has appropriate balance and level of skills, experience and perspectives required to support the execution of its business strategies. Our Company seeks to achieve Board diversity by selection of candidates for our Board through the consideration of a number of factors, including but not limited to gender, age, cultural and education background, professional experience, skills, knowledge and length of service. Our Company has also taken, and will continue to take, into consideration factors based on its own business model and specific needs from time to time in determining the optimum composition of our Board. All Board appointments will continue to be based on meritocracy having due regard for the benefits of diversity on our Board. The ultimate decision will continue to be based on merit and contribution that the selected candidates will bring to our Board.

Our Directors, including our independent non-executive Directors, have a balanced mix of knowledge and experience in the areas of design and engineering, accounting, legal and finance. None of the Directors are related to one another. Furthermore, the ages of our Directors range from 40 years old to 71 years old.

Our Board comprises of seven members, including one female Director. We will review the objectives of the Board Diversity Policy from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. After [REDACTED], we will continue to take steps to maintain such gender ratio at our Board going forward. In particular, we will actively identify female individuals suitably qualified to become our Board members. We target to achieve a board composition comprising at least 10% female Directors as part of our ongoing commitment to fostering diversity and balanced representation. With a view to developing a pipeline of potential successors to our Board that can maintain our gender diversity, our Group will (i) make appointments based on merits with reference to board diversity as a whole; (ii) take steps to promote gender diversity at all levels of our Group by recruiting staff of different gender; and (iii) consider the possibility of nominating female management members who have the necessary skills and experience to our Board. Taking into account our existing business model and specific needs as well as the different background of our Directors, the composition of our Board satisfies the Board Diversity Policy. After [REDACTED], the Nomination Committee will review the Board Diversity Policy and monitor its implementation and assess our Board composition regularly. The Nomination Committee will report annually to shareholders in the corporate governance section of the annual report of the Company on the process adopted in relation to our Board appointments and the consideration given to the diversity on our Board.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISER

Our Company has appointed [Kingsway Capital Limited] as our compliance adviser pursuant to Rule 6A.19 of the GEM Listing Rules. According to Rule 6A.23 of the GEM Listing Rules, the compliance adviser will advise our Company in the following circumstances:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated including share issues and share repurchases;
- (iii) where our Company proposes to use the proceeds of the [REDACTED] in a manner different from that detailed in this document or where its business activities, developments or results deviate from any forecast, estimate, or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry regarding unusual movements in the price or trading volume of our Shares.

The term of the appointment shall commence on the [REDACTED] and end on the date when our Company distributes its annual report in relation to its financial results for the first full financial year commencing after the [REDACTED] and such appointment may be subject to extension by mutual agreement.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of remuneration paid by us to our Directors, including salaries, allowances and contributions to retirement benefit scheme, was approximately HK\$1.4 million, HK\$1.4 million and HK\$0.6 million for each of the two years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, respectively.

The aggregate amount of emoluments payable to the five highest paid individuals (including the Directors), including salaries, allowances and contributions to retirement benefit scheme, during each of the two years ended 31 December 2025 and the five months ended 31 May 2026 was approximately HK\$4.6 million, HK\$5.1 million and HK\$2.1 million, respectively.

We have not paid any remuneration to our Directors or the five highest paid individuals as an inducement to join or upon joining us or as a compensation for loss of office during the Track Record Period. None of our Directors has waived any remuneration during the same period.

Under the arrangements currently in force, we estimate that we will pay an aggregate amount of approximately HK\$1.5 million to our Directors as remuneration including benefits in kind payable in respect of the year ending 31 December 2026 (excluding any discretionary bonuses).

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] and the [REDACTED], the following persons/entities will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the issued voting Shares of our Company or any other member of our Group:

Name of Shareholders	Capacity	As at the Latest Practicable Date		Immediately following completion of the [REDACTED] and the [REDACTED]	
		Number of Shares ⁽¹⁾	Percentage of shareholding	Number of Shares ⁽¹⁾	Approximate percentage/Percentage of shareholding
Evergreen Bamboo	Beneficial owner	[51] (L)	[51.0]%	[REDACTED] (L)	[REDACTED]%
Mr. Ng	Interest in a controlled corporation	[51] (L) ⁽²⁾	[51.0]%	[REDACTED] (L) ⁽²⁾	[REDACTED]%
DeMain Culture Group	Interest in a controlled corporation	[51] (L) ⁽²⁾	[51.0]%	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Giant Panda Group Investment	Interest in a controlled corporation	[51] (L) ⁽²⁾	[51.0]%	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Giant Panda Group	Interest in a controlled corporation	[51] (L) ⁽²⁾	[51.0]%	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Smart Production	Beneficial owner	[28] (L)	[28.0]%	[REDACTED] (L)	[REDACTED]%
Mr. Chan	Interest in a controlled corporation	[28] (L) ⁽³⁾	[28.0]%	[REDACTED] (L) ⁽³⁾	[REDACTED]%
Bright Prosper	Beneficial owner	[21] (L)	[21.0]%	[REDACTED] (L)	[REDACTED]%
Mr. Choi	Interest in a controlled corporation	[21] (L) ⁽⁴⁾	[21.0]%	[REDACTED] (L) ⁽⁴⁾	[REDACTED]%

Notes:

1. The letter “L” denotes long position in the Shares.
2. These Shares were/will be held by Evergreen Bamboo, which is wholly-owned by DeMain Culture Group, which is in turn wholly-owned by Giant Panda Group Investment, which is in turn wholly-owned by Giant Panda Group. Giant Panda Group is directly wholly-owned by Mr. Ng.
3. These Shares were/will be held by Smart Production, a company wholly-owned by Mr. Chan.
4. These Shares were/will be held by Bright Prosper, a company wholly-owned by Mr. Choi.

Save as disclosed above, our Directors are not aware of any person who will or any entity which will, immediately following the completion of the [REDACTED] and the [REDACTED], have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the issued voting Shares of our Company or any other member of our Group. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Immediately following completion of the [REDACTED] and the [REDACTED], each of Giant Panda Group, Giant Panda Group Investment, DeMain Culture Group and Evergreen Bamboo will directly or indirectly hold [REDACTED]% of the issued share capital of our Company, which is directly or indirectly wholly-owned by Mr. Ng. As each of Giant Panda Group, Giant Panda Group Investment, DeMain Culture Group, Evergreen Bamboo and Mr. Ng is directly or indirectly entitled to exercise or control the exercise of 30% or more of the voting power at our Company’s general meeting, each of them is regarded as our Controlling Shareholder under the GEM Listing Rules.

The principal businesses carried on by the companies controlled by Mr. Ng and/or his close associates, apart from the companies within our Group and companies which are investment or holding vehicles, are consultancy and advisory, venue operation, artificial intelligence, cultural and creative, live performance organiser and production (the “**Other Businesses**”). Given the Other Businesses are not in line with our business and our business strategy, we believe that there is clear business delineation and that there is no competition or potential competition between the business of our Group and the Other Businesses. As of the Latest Practicable Date, Mr. Ng has no intention to inject the Other Businesses into our Group in the future. Our Directors do not expect there to be any overlap of or competition between the Other Businesses and our Group’s business after the Listing.

Management, operational, administrative and financial independence of our Group

Our Directors consider that our Group is capable of carrying on its business independently of our Controlling Shareholders and their respective close associates based on the following:

Management independence

Our Board comprises of two executive Directors, two non-executive Directors and three independent non-executive Directors. Mr. Ng, an executive Director, Chairman of our Board and co-chief executive officer of our Group, is one of our Controlling Shareholders.

Each of our Directors is aware of his/her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

The three independent non-executive Directors will also bring independent judgment to the decision-making process of our Board. Apart from our Directors, we have our senior management team to carry out the business decisions of our Group independently. Our Directors are satisfied that our senior management team is able to perform their roles in our Company independently and our Directors are of the view that we are capable of managing our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Operational, administrative and financial independence

Our Group has our own independent operational, administrative and corporate governance structure comprising separate individual departments, each with specific areas of responsibilities, including financial and accounting management and business development. During the Track Record Period, our Group was operationally and administratively independent of our Controlling Shareholders and their respective close associates as we have our own operational personnel and administrative personnel.

Our Board believes that we have been operating independently from our Controlling Shareholders and their respective close associates and will continue to do so after [REDACTED]. Our Group makes business decisions independently and have sufficient capital, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates. Our Group has also established a set of internal control measures to facilitate the effective operations of its business. We have registered two trademarks which we can use for marketing our services. During the Track Record Period, our Group provided stage lighting and sound engineering services and consultancy service to the close associates of Mr. Ng which are principally engaged in live performance production and venue operation respectively in the sum of HK\$276,000, HK\$3,230,000 and HK\$1,400,000, respectively. Save as disclosed in this document, our Group’s five largest customers and suppliers are all independent of our Controlling Shareholders. We do not rely on our Controlling Shareholders or any of their respective close associates for access to suppliers and customers, as we manage our sourcing independently to whom we have independent access.

As of 31 May 2026, a balance of approximately HK\$2.6 million in aggregate was due from Mr. Ng and/or his close associates. All outstanding balances of amounts due from related parties will be settled before [REDACTED]. Our Directors confirm that any guarantee provided by our Controlling Shareholders as security for the due performance and observance of our Group’s obligations under contracts as of the Latest Practicable Date will be released prior to [REDACTED]. Our Directors also believe that we are able to obtain financing independently of our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, we had our own finance department and independent accounting systems.

Based on the above, our Directors believe that our Group’s business operation does not rely on our Controlling Shareholders and our Group is capable of operating independently without financial reliance on our Controlling Shareholders.

RULE 11.04 OF THE GEM LISTING RULES

The Controlling Shareholders, our Directors and their respective close associates do not have any interest in a business apart from our Group’s business which competes, or may compete, directly or indirectly, with our Group’s business which requires disclosure under Rule 11.04 of the GEM Listing Rules.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that he/it fully comprehends his/its obligations to act in the best interests of our Company and its Shareholders as a whole. To avoid potential conflicts of interest, our Group will implement the following measures:

- (a) in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Controlling Shareholders (or their associates), the interested Directors shall abstain from voting at the relevant Board meeting and shall not be counted in the quorum;

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

- (b) our Board is committed to the view that our Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on our Board which can effectively exercise independent judgement. Our Company has appointed three independent non-executive Directors. Our Directors believe that our independent non-executive Directors are of sufficient calibre, are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgement and will be able to provide impartial and professional advice to protect the interests of the minority Shareholders. Details of our independent non-executive Directors are set out in the section headed “Directors and senior management” in this document;
- (c) our Company has appointed [Kingsway Capital Limited] as the compliance adviser, which will provide advice and guidance to us in respect of compliance with the GEM Listing Rules including various requirements relating to directors’ duties and internal controls. Please refer to the section headed “Directors and senior management — Compliance Adviser” in this document for details in relation to the appointment of compliance adviser;
- (d) each of our Controlling Shareholders, Mr. Chan and Mr. Choi will make an annual confirmation as to compliance with his/her/its undertaking under the Deed of Non-competition for inclusion in the annual report of our Company;
- (e) each of our Controlling Shareholders, Mr. Chan and Mr. Choi undertakes to provide all information requested by our Group which is necessary for the annual review by our independent non-executive Directors and the enforcement of the Deed of Non-competition; and
- (f) our independent non-executive Directors will, based on the information available to them, review on an annual basis (i) the compliance with the Deed of Non-competition; and (ii) all the decisions taken in relation to whether to pursue the new opportunity under the Deed of Non-competition. Findings of such review will be disclosed in our annual report after the [REDACTED].

NON-COMPETITION UNDERTAKINGS

In order to avoid any possible future competition between our Group and our Controlling Shareholders and Substantial Shareholders, our Controlling Shareholders, Mr. Chan and Mr. Choi (the “Covenantors”) entered into the Deed of Non-competition with our Company (for itself and on behalf of all members of our Group) on [date]. Pursuant to the Deed of Non-competition, each of the Covenantors has irrevocably and unconditionally undertaken to our Company (for itself and as trustee for its subsidiaries) that, as long as the Deed of Non-competition remains effective, he/she/it shall not, and shall procure his/her/its close associates (other than any member of our Group), whether on his/her/its own account or under the name of others, not to develop, acquire, invest in, participate in, carry on or be engaged in, concerned with or interested in or otherwise be involved, whether on his/her/its own account or with each other or in conjunction with or on behalf of any person, firm or company or otherwise, in any business in competition with or likely to be in competition whether directly or indirectly, with the existing business activity of any member of our Group or such other business activity our Group may engage from time to time in future.

Each of the Covenantors further undertakes that if he/she/it or his/her/its close associates other than any member of our Group is offered or becomes aware of any business opportunity which may compete with the business of our Group, he/she/it shall (and he/she/it shall procure his/her/its close associates to) notify our Group in writing and our Group shall have a right of first refusal to take up

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

such business opportunity. Each of the Covenantors further undertakes that he/she/it will and he/she/it shall procure that his/her/its close associates (other than any member of our Group) will notify us of the aforesaid business opportunities and use his/her/its best endeavours to procure that the business opportunities are first offered to our Group on terms and conditions no less favourable than those offered to the relevant Covenantor or his/her/its close associates.

Within thirty (30) Business Days (or such longer period if our Group is required to complete any approval procedures as set out under the GEM Listing Rules from time to time) after receipt of written notice concerning offer of any business opportunity from the relevant Covenantor, our Company shall notify the relevant Covenantor in writing whether we intend to accept the offer. If our Group declines any such offer, the relevant Covenantor or his/her/its associates who offered the business opportunity shall then be allowed to acquire the interests offered on terms no more favourable than those offered to our Group. Whether our Company shall accept or decline the offer of business opportunity shall be solely determined by our independent non-executive Directors.

The relevant Covenantor and the other interested Directors or potential interested Directors (if any, including our independent non-executive Directors) shall abstain from participating in all meetings of the Board where there is a conflict of interest or potential conflict of interest including but not limited to the relevant meeting of the Board for considering whether or not to exercise the first right of refusal. Whether to exercise the first right of refusal shall be solely determined by our independent non-executive Directors. Where appropriate, our Company may appoint independent financial advisers and legal advisers for advising on the proposed exercise of the first right of refusal.

The non-competition undertakings under the Deed of Non-competition shall not restrict any Covenantor (or any of his/her/its close associates), either by himself/herself/itself or any other person, from holding interests in the shares of a company which is listed on a recognised stock exchange provided that:

- (a) any business that competes or is likely, directly or indirectly, to compete with our Group conducted or engaged in by such company (and assets relating thereto) accounts for less than 5% of that company’s consolidated turnover or consolidated assets, as shown in that company’s latest audited accounts; or
- (b) the total number of the shares directly or indirectly held by the relevant Covenantor and/or his/her/its close associates in aggregate does not exceed 5% of the issued shares of that class of that company in question or control the exercise of more than 5% of the voting rights thereof, or control the composition of a majority of the board of directors of such company and that there should exist at least another shareholder of the company who holds more shares in that company than such Covenantor and/or his/her/its close associates in aggregate.

The undertakings contained in the Deed of Non-competition are conditional on the [REDACTED] of our Company. If such condition is not fulfilled on or before the date falling 30 days after the date of this document (or if such date is not a Business Day, the immediate preceding Business Day), the Deed of Non-competition shall become null and void and cease to have any effect whatsoever and no party shall have any claim against the others under the Deed of Non-competition.

The Deed of Non-competition shall terminate on (i) in the case of the Controlling Shareholders, together with his/her/its close associates, taken together, cease to be interested in 10% of the entire issued share capital of our Company; or (ii) in the case of each of Mr. Chan and Mr. Choi, together with his close associates, taken together, cease to be interested in 10% or more of the entire issued share capital of our Company; or (iii) the date on which the Shares shall cease to be listed and traded on the Stock Exchange (except for temporary trading halt or suspension of trading of the Shares on the Stock Exchange due to any reason).

SHARE CAPITAL

SHARE CAPITAL

The following is a description of the share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately after completion of the [REDACTED] and the [REDACTED]:

Authorised share capital

	HK\$
<u>[REDACTED] Shares</u>	<u>[REDACTED]</u>

Issued and to be issued, fully paid or credited as fully paid:

	HK\$
100 Shares in issue as of the date of this document	1
<u>[REDACTED] Shares to be issued pursuant to the [REDACTED]</u>	<u>[REDACTED]</u>
<u>[REDACTED] Shares to be issued pursuant to the [REDACTED]</u>	<u>[REDACTED]</u>
<u>[REDACTED] Shares</u>	<u>[REDACTED]</u>

ASSUMPTIONS

The above table assumes that the [REDACTED] and the [REDACTED] become unconditional and the issue of [REDACTED] pursuant thereto is made as described herein. It does not take into account: (i) any Shares which may be allotted and issued pursuant to the general mandate as mentioned in the paragraph headed “General mandate to issue Shares” in this section below; or (ii) any Shares which may be repurchased by our Company pursuant to the repurchase mandate as mentioned in the paragraph headed “General mandate to repurchase Shares” in this section below.

The minimum level of public float to be maintained by our Company after [REDACTED] is [REDACTED]% of the issued capital of our Company.

RANKING

The [REDACTED] will rank *pari passu* in all respects with all other existing Shares in issue as mentioned in this document, and in particular, will be entitled to all dividends and other distributions hereafter declared, paid or made on our Shares after the date of this document save for entitlements under the [REDACTED].

CIRCUMSTANCES UNDER WHICH GENERAL MEETING AND CLASS MEETING ARE REQUIRED

Pursuant to the Cayman Companies Act and the terms of our Articles of Association, our Company may from time to time by ordinary resolution of our Shareholders (i) increase our capital; (ii) consolidate and divide our capital into Shares of larger amount; (iii) divide our Shares into several classes; (iv) subdivide our Shares into Shares of smaller amount; and (v) cancel any Shares which have not been taken. In addition, our Company may, subject to the Cayman Companies Act, reduce our share capital or capital redemption reserve by our Shareholders passing a special resolution.

SHARE CAPITAL

For further details, please refer to the paragraph headed “2. Articles of Association — (a) Shares — (iii) Alteration of capital” in Appendix III to this document. Pursuant to the Cayman Companies Act and the terms of our Articles of Association, all or any of the special rights attached to our Shares or class of Shares may be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal of issued Shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the Shares of that class.

For further details, please refer to the paragraph headed “2. Articles of Association — (a) Shares — (ii) Variation of rights of existing shares or classes of shares” in Appendix III to this document. Other than the circumstances above, certain corporate actions may require the approval of our Shareholders, which would be obtained in a general meeting. For further details, please refer to the paragraph headed “2. Articles of Association” in Appendix III to this document.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to issue, allot and deal with Shares with a total number not more than the sum of:

- (a) 20% of the total number of issued Shares of our Company immediately following the completion of the [REDACTED] and the [REDACTED]; and
- (b) the total number of issued Shares repurchased by our Company (if any) pursuant to the repurchase mandate (as referred to below).

The general mandate is in addition to the powers of our Directors to allot, issue or deal with Shares under any rights issue, scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend in accordance with our Articles of Association, or pursuant to the exercise of any subscription rights attached to any warrants which may be issued by us from time to time.

This general mandate to issue Shares will remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of our Company;
- (b) the expiration of the period within which our Company is required by the Articles of Association or the Companies Act or any applicable laws of the Cayman Islands to hold its next annual general meeting; or
- (c) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed “A. Further information about our Company — 3. Written resolutions of our Shareholders passed on [date]” in Appendix IV to this document.

GENERAL MANDATE TO REPURCHASE SHARES

Conditional on the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares with a total number of not more than 10% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED]. This mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is

SHARE CAPITAL

recognised by the SFC and the Stock Exchange for this purpose), and which are in accordance with the GEM Listing Rules. A summary of the relevant GEM Listing Rules is set out in the paragraph headed “A. Further information about our Company — 6. Repurchase of our Shares by our Company” in Appendix IV to this document.

The general mandate to repurchase Shares will remain in effect until the earliest of:

- (a) the conclusion of the next annual general meeting of our Company;
- (b) the expiration of the period within which our Company is required by the Articles of Association or the Companies Act or any applicable laws of the Cayman Islands to hold its next annual general meeting; or
- (c) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

For further details of this general mandate, please refer to the paragraph headed “A. Further information about our Company — 3. Written resolutions of our Shareholders passed on [date]” in Appendix IV to this document.

FINANCIAL INFORMATION

You should read the following discussion and analysis in conjunction with the combined financial statements, including the notes thereto, included in the Accountant’s Report in Appendix I to this document and the selected historical financial information presented elsewhere in this document. Our combined financial statements were prepared in accordance with HKFRSs.

This discussion of our financial condition and results of operations contains forward-looking statements which, although based on the assumptions that we consider reasonable, are subject to risks and uncertainties. Our actual performance and results are based on the assumptions about our business and may differ materially from those anticipated in the forward-looking statements due to certain factors, including those set out in the sections entitled “Forward-looking statements”, “Risk factors”, and elsewhere in this document. In addition, certain industry issues also affect our financial condition and results of operations, as described in “Industry overview”.

OVERVIEW

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

Our revenue increased from approximately HK\$150.3 million for the year ended 31 December 2024 to approximately HK\$163.8 million for the year ended 31 December 2025. Our revenue decreased from approximately HK\$64.9 million for the five months ended 31 May 2025 to approximately HK\$50.0 million for the five months ended 31 May 2026. Our profit for the year decreased from approximately HK\$13.3 million for the year ended 31 December 2024 to approximately HK\$9.3 million for the year ended 31 December 2025. Our profit for the period decreased from approximately HK\$4.4 million for the five months ended 31 May 2025 to approximately HK\$1.8 million for the five months ended 31 May 2026.

For further details of our business and operation, please refer to the section headed “Business”.

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 our Company. Our 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, our 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 the Accountant’s 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 our 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.

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 our Group.

FINANCIAL INFORMATION

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our financial condition and results of operations have been and will continue to be affected by a number of factors, including those set out below and in the section headed “Risk factors” in this document.

Customer demand

The majority of our revenue was derived from the provision of stage lighting and sound engineering services. Consequently, our business is significantly dependent on the level of the customers’ demand for such service. In the event that the demand for stage lighting and sound engineering services is substantially reduced by the customers whether as a result of market trends, changes in customer preferences or technical challenges associated with the delivery of our services, our business, financial condition and results of operation, our profitability and future growth in revenue may be adversely affected.

Our ability to maintain customers’ relationships and obtain new projects from customers

Our contracts are awarded on a project basis and are not recurring in nature. Therefore, our future business depends on our ability to maintain customers’ relationships and secure new projects from customers. In addition, we have historically relied on a number of production houses, entertainment companies, event organisers and event contractors located in Hong Kong. If we fail to maintain our relationships with existing customers and experience a reduction or loss of engagement with our existing customers, our business, financial condition, and results of operations may be materially and adversely affected.

Fluctuation in cost of sales

Our cost of sales primarily consisted of rental expenses for lighting and sound equipment relating to short-term leases and subcontracting costs. These costs in aggregate represented approximately 83.2%, 82.6% and 76.1% of our total cost of sales for the Track Record Period, respectively. Our ability to control and manage our cost of sales will enhance our profitability. Any material fluctuation in our cost of sales may adversely impact our financial performance.

Rental expenses for lighting and sound equipment relating to short-term leases constitute the major component in our cost structure and accounted for approximately 43.4%, 40.8% and 31.4% of our total cost of sales for the Track Record Period, respectively. The equipment we rented includes lighting fixtures, sound consoles, speakers, amplifiers and related accessories. The rental rates for this equipment are largely susceptible to market forces, such as fluctuations in equipment supply and demand, maintenance and processing costs, environmental and regulatory requirements, and other unforeseen circumstances. Since the contract value of our projects is generally determined when a project is awarded to us, any substantial increase in rental rates for lighting and sound equipment between the time of submission of our proposal or quotation and the time we actually procure the rental equipment will substantially increase our operating expenses and may materially and adversely affect our gross profit margin and results of operations.

Our subcontracting costs accounted for approximately 39.8%, 41.8% and 44.7% of our total cost of sales for the Track Record Period, respectively. Our Group mainly engaged subcontractors to provide stage engineering, LED electronic display screen and shadow illumination effects and ad hoc personnel services on a project-by-project basis. If we have to incur substantial extra subcontracting costs due to unexpected circumstances without any compensation, our gross profit margin and results of operations will be materially and adversely affected.

FINANCIAL INFORMATION

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of historical financial information requires management to exercise judgements in the process of applying Group’s accounting policies. Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectation of future events that are believed to be reasonable under the circumstances. We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

We set forth below the accounting policies, estimates and judgements that we believe are the most significant to our financial information or that involve the most significant judgements and estimates used in the preparation of our financial statements. Other material accounting policy information, estimates, assumptions, and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in the notes to the historical financial information in the Accountant’s Report in Appendix I to this document.

Revenue Recognition

Revenue is recognised 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 our Group’s activities. The following is a description of the accounting policy for the principal revenue stream of our Group.

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 solutions 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 of 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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Impairment of trade and other receivables

We follow 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 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) to the Accountant’s Report in Appendix I to this document.

SUMMARY OF RESULTS OF OPERATIONS

The following sets forth a summary of our results of operations during the Track Record Period as extracted from the Accountant’s Report set out in Appendix I to this document:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Revenue	150,261	163,805	64,925	50,033
Cost of sales	(125,597)	(139,643)	(54,628)	(40,484)
Gross profit	24,664	24,162	10,297	9,549
Other income	65	96	41	40
Other gains/(losses), net	33	936	(21)	(17)
General and administrative expenses	(9,030)	(9,760)	(4,319)	(7,440)
Provision for impairment losses on trade receivables	(174)	(5,546)	(685)	(194)
Reversal of/(provision for) impairment losses on other receivables	367	1,337	(168)	780
Operating profit	15,925	11,225	5,145	2,718
Finance income	422	373	163	133
Finance costs	(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	(2,578)	(1,760)	(800)	(833)
Profit for the year/period attributable to owners of the Company	<u>13,332</u>	<u>9,320</u>	<u>4,369</u>	<u>1,809</u>
Other comprehensive income/(losses):				
Items that will not be reclassified to profit or loss:				
Remeasurement of provision for long service payments	69	(49)	(20)	117
Fair value gain on financial asset at fair value through other comprehensive income	3	2	2	3
Total comprehensive income for the year/period	<u>13,404</u>	<u>9,273</u>	<u>4,351</u>	<u>1,929</u>

FINANCIAL INFORMATION

DISCUSSION ON SELECTED ITEMS OF COMBINED STATEMENTS OF COMPREHENSIVE INCOME

Revenue

Our revenue consists mainly of service fee received from the provision of stage lighting and sound engineering services to our customers.

Our revenue for the two years ended 31 December 2025 and the five months ended 31 May 2025 and 2026 were approximately HK\$150.3 million, HK\$163.8 million, HK\$64.9 million and HK\$50.0 million, respectively.

Breakdown by type of services

The following table sets forth the breakdown of our revenue by type of services for the years/ periods indicated:

	For the year ended 31 December				For the five months ended 31 May			
	2024		2025		2025		2026	
	Revenue HK\$'000	% of total revenue %	Revenue HK\$'000	% of total revenue %	Revenue HK\$'000 (Unaudited)	% of total revenue %	Revenue HK\$'000	% of total revenue %
Provision of stage lighting and sound engineering services								
— Concert ⁽¹⁾	119,630	79.6	123,652	75.5	43,273	66.7	37,379	74.7
— Ceremony ⁽²⁾	18,805	12.5	23,105	14.1	15,449	23.8	5,214	10.4
— Others ⁽³⁾	9,307	6.2	14,395	8.8	5,412	8.3	4,901	9.8
Sub-total	147,742	98.3	161,152	98.4	64,134	98.8	47,494	94.9
Others⁽⁴⁾	2,519	1.7	2,653	1.6	791	1.2	2,539	5.1
Total	150,261	100.0	163,805	100.0	64,925	100.0	50,033	100.0

Notes:

- (1) Primarily represents concerts held at major venues in Hong Kong, including AsiaWorld-Expo, Hong Kong Coliseum, Kai Tak Sports Park and the Hong Kong Convention and Exhibition Centre. Our customers may engage us for concert tours across Hong Kong, Macao and the PRC. If we are involved in concert tours in Macao and the PRC, we generally engage subcontractors in Macao and the PRC for stage setup, installation and dismantling, while our technicians are deployed to oversee the installation process. For the two years ended 31 December 2025 and the five months ended 31 May 2025 and 2026, (i) our revenue from concerts performed in Macao amounted to approximately HK\$10.8 million, HK\$15.1 million, HK\$5.3 million and HK\$1.0 million, representing approximately 7.2%, 9.2%, 8.1% and 2.0% of our total revenue, respectively; and (ii) our revenue from concerts performed in the PRC amounted to approximately HK\$4.3 million, HK\$9.1 million, HK\$1.2 million and HK\$3.5 million, representing approximately 2.9%, 5.6%, 1.8% and 6.9% of our total revenue, respectively. For details, see section headed “Business — Our process — Execution phrase” in the document.
- (2) Primarily represents opening ceremonies, music award ceremonies, festival parades and religious and cultural assemblies.
- (3) Primarily represents TV shows, press conferences and sports events, including esports tournament.
- (4) Primarily represents our provisions of (i) coordination and technical support services, (ii) equipment rental services, (iii) rehearsal facilities services and (iv) sale and installation services for lighting and sound equipment.

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During the Track Record Period, concert remained as our primary revenue driver under the provision of stage lighting and sound engineering services. Our revenue generated from concert amounted to approximately HK\$119.6 million, HK\$123.7 million, HK\$43.3 million and HK\$37.4 million for the two years ended 31 December 2025 and the five months ended 31 May 2025 and 2026, respectively, accounting for approximately 79.6%, 75.5%, 66.7%, and 74.7% of our total revenue for the same year/period, respectively.

Cost of sales

Our cost of sales was approximately HK\$125.6 million, HK\$139.6 million, HK\$54.6 million and HK\$40.5 million for the two years ended 31 December 2025 and for the five months ended 31 May 2025 and 2026, respectively.

Cost of sales by nature

The following table sets forth the breakdown of our Group’s cost of sales by nature for the years/ periods indicated:

	Year ended 31 December				Five months ended 31 May			
	2024		2025		2025		2026	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(Unaudited)							
Rental expenses for lighting and sound equipment relating to short-term leases	54,478	43.4	56,940	40.8	19,042	34.9	12,712	31.4
Subcontracting costs	49,943	39.8	58,438	41.8	25,480	46.6	18,099	44.7
Project consumables	1,154	0.9	1,838	1.4	937	1.8	314	0.8
Employee benefit expenses	6,735	5.3	8,109	5.8	3,285	6.0	3,702	9.2
Depreciation of property, plant and equipment	5,244	4.2	6,322	4.5	2,528	4.6	2,558	6.3
Depreciation of right-of-use assets	1,850	1.5	2,122	1.5	879	1.6	176	0.4
Expense relating to short-term leases	850	0.7	492	0.4	205	0.4	1,009	2.5
Consultancy fees	1,950	1.5	2,190	1.6	723	1.3	747	1.9
Insurance expenses	791	0.6	169	0.1	81	0.1	135	0.3
Repair and maintenance	233	0.2	291	0.2	121	0.2	125	0.3
Transportation expenses	2,366	1.9	2,667	1.9	1,347	2.5	907	2.2
Written-off of property, plant and equipment	—	0.0	65	0.0	—	0.0	—	0.0
Other expenses	3	0.0	—	0.0	—	0.0	—	0.0
Total cost of sales	125,597	100.0	139,643	100.0	54,628	100.0	40,484	100.0

Our cost of sales primarily consists of rental expenses for lighting and sound equipment relating to short-term leases and subcontracting costs, mainly comprising the rental expenses for lighting and sound equipment from our suppliers and manpower required for the project execution. Our rental expenses for lighting and sound equipment relating to short-term leases and subcontracting costs in aggregate accounted for approximately 83.2%, 82.6%, 81.5%, and 76.1% of our cost of sales for the two years ended 31 December 2025 and for the five months ended 31 May 2025 and 2026, respectively.

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Our cost of sales also includes (i) project consumables; (ii) employee benefit expenses; (iii) depreciation of property, plant and equipment; (iv) depreciation of right-of-use assets; (v) expense relating to short-term leases; (vi) consultancy fees; (vii) insurance expenses; (viii) repair and maintenance; (ix) transportation expenses; (x) written-off of property, plant and equipment; and (xi) other expenses.

Gross Profit and Gross Profit Margin

Our gross profit represents our revenue less our cost of sales. Our gross profit margin represents our gross profit as a percentage of our revenue. The following table sets forth a breakdown of our gross profit by type of services in absolute amounts and as a percentage of gross profit margin, for the years/ periods indicated:

	Year ended 31 December				Five months ended 31 May			
	2024		2025		2025		2026	
	Gross profit		Gross profit		Gross profit		Gross profit	
	Gross profit	margin	Gross profit	margin	Gross profit	margin	Gross profit	margin
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
	(Unaudited)							
Provision of stage lighting and sound engineering services								
— Concert	18,546	15.5	15,221	12.3	6,032	13.9	5,440	14.6
— Ceremony	1,558	8.3	2,619	11.3	1,571	10.2	780	15.0
— Others	<u>3,423</u>	36.8	<u>4,986</u>	34.6	<u>2,031</u>	37.5	<u>1,581</u>	32.3
Sub-total	23,527	15.9	22,826	14.2	9,634	15.0	7,801	16.4
Others	<u>1,137</u>	45.1	<u>1,336</u>	50.4	<u>663</u>	83.8	<u>1,748</u>	68.8
Total	<u>24,664</u>	16.4	<u>24,162</u>	14.8	<u>10,297</u>	15.9	<u>9,549</u>	19.1

We had a gross profit of approximately HK\$24.7 million, HK\$24.2 million, HK\$10.3 million and HK\$9.5 million for the two years ended 31 December 2025 and the five months ended 31 May 2025 and 2026, respectively. Our gross profit margin slightly decreased from approximately 16.4% for the year ended 31 December 2024 to approximately 14.8% for the year ended 31 December 2025. Our gross profit margin increased from approximately 15.9% for the five months ended 31 May 2025 to approximately 19.1% for the five months ended 31 May 2026.

Other income

Our other income consists of rental income. Our other income were approximately HK\$65,000, HK\$96,000, HK\$41,000 and HK\$40,000 for the two years ended 31 December 2025 and for the five months ended 31 May 2025 and 2026 respectively, accounting for approximately 0.0%, 0.1%, 0.1% and 0.1% of our total revenue in the respective years/periods.

Other gains/(losses), net

Our other gains/(losses), net primarily consist of net foreign exchange gains/(losses) and gain on disposal of property, plant and equipment. Our net other gains were approximately HK\$33,000 and HK\$0.9 million for the two years ended 31 December 2025, respectively, accounting for approximately

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0.0% and 0.6% of our total revenue in the respective years. Our net other losses were approximately HK\$21,000 and HK\$17,000 for the five months ended 31 May 2025 and 2026, accounting for approximately 0.0% and 0.0% of our total revenue in the respective periods.

General and administrative expenses

Our general and administrative expenses primarily consist of: (i) employee benefit expenses (including salaries, bonuses, pension costs, and other employee welfares and allowance) relating to administrative personnel; (ii) depreciation of property, plant and equipment; (iii) depreciation of right-of-use assets; (iv) management service charge and (v) the [REDACTED] in relation to our preparation for the [REDACTED]. The following table sets forth a breakdown of our general and administrative expenses in absolute amounts for the years/periods indicated:

	Year ended 31 December				Five months ended 31 May			
	2024		2025		2025		2026	
	HK\$'000	%	HK\$'000	%	HK\$'000 (Unaudited)	%	HK\$'000	%
Employee benefit expenses	4,740	52.5	5,187	53.1	2,283	52.9	2,398	32.2
Depreciation of property, plant and equipment	594	6.6	857	8.8	356	8.2	364	4.9
Depreciation of right-of-use assets	1,280	14.2	1,280	13.1	533	12.4	533	7.2
Rental expenses in relation to short-term leases	418	4.6	39	0.4	16	0.4	19	0.3
Auditor's remuneration	78	0.9	78	0.8	33	0.8	38	0.5
Legal and professional fee	88	1.0	—	0.0	—	0.0	295	4.0
[REDACTED]	—	0.0	—	0.0	—	0.0	[REDACTED]	[REDACTED]
Management service charge	610	6.8	1,348	13.8	656	15.2	—	0.0
Insurance	125	1.4	120	1.2	48	1.1	49	0.7
Repair and maintenance	1	0.0	—	0.0	—	0.0	—	0.0
Entertainment expenses	228	2.5	209	2.1	160	3.7	141	1.9
Motor vehicle expenses	342	3.8	300	3.1	113	2.6	111	1.5
Transportation	5	0.1	5	0.0	1	0.0	2	0.0
Office expenses	218	2.4	58	0.6	33	0.8	47	0.6
Utilities	174	1.9	159	1.6	45	1.0	44	0.6
Penalty	4	0.0	7	0.1	3	0.1	—	0.0
Others	125	1.3	113	1.1	39	0.9	97	1.3
Total	9,030	100.0	9,760	100.0	4,319	100.0	7,440	100.0

Provision for impairment losses on trade receivables

We recorded net impairment losses on trade receivables of approximately HK\$0.2 million and HK\$5.5 million for the two years ended 31 December 2025, respectively, primarily representing expected credit loss arising from trade receivables aged over one month. We recorded net impairment loss on trade receivables of approximately HK\$0.7 million and HK\$0.2 million for the five months ended 31 May 2025 and 2026 respectively.

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Reversal of/(provision for) impairment losses on other receivables

We recorded reversal of impairment losses on other receivables of approximately HK\$0.4 million, HK\$1.3 million and HK\$0.8 million for the two years ended 31 December 2025 and the five months ended 31 May 2026, respectively, primarily representing the expected credit loss arising from other receivables. We recorded provision for impairment losses on other receivables of approximately HK\$0.2 million for the five months ended 31 May 2025.

Finance (costs)/income — net

The following table sets forth our finance income and finance costs for the years/periods indicated:

	<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)	
Finance income				
Interest income from bank deposits	1	—	—	—
Interest income from consideration receivable	388	335	147	123
Unwinding interest of rental deposits	<u>33</u>	<u>38</u>	<u>16</u>	<u>10</u>
	<u>422</u>	<u>373</u>	<u>163</u>	<u>133</u>
Finance costs				
Interest expenses on bank borrowings	(143)	—	—	—
Interest expenses on lease liabilities	(294)	(175)	(94)	(27)
Unwinding interest of purchase payables for property, plant and equipment	<u>—</u>	<u>(343)</u>	<u>(45)</u>	<u>(182)</u>
	<u>(437)</u>	<u>(518)</u>	<u>(139)</u>	<u>(209)</u>
Finance (costs)/income — net	<u><u>(15)</u></u>	<u><u>(145)</u></u>	<u><u>24</u></u>	<u><u>(76)</u></u>

Finance (costs)/income, net were primarily comprise of (i) interest income from bank deposits, (ii) interest income from consideration receivable, (iii) unwinding interest of rental deposits, (iv) interest expenses on bank borrowings, (v) interest expenses on lease liabilities and (vi) unwinding interest of purchase payable for property, plant and equipment. For the two years ended 31 December 2025 and the five months ended 31 May 2026, we recorded net finance costs of approximately HK\$15,000, HK\$0.1 million, and HK\$76,000, respectively, representing approximately 0.0%, 0.1% and 0.2% of our revenue in the respective years/period. For the five months ended 31 May 2025, we recorded net finance income of approximately HK\$24,000, representing approximately 0.0% of our revenue in the period.

Income tax expense

Our income tax expense consists of current income tax for the year/period and deferred income tax. We are subject to income tax on an entity basis on assessable profits arising in or derived from the tax jurisdictions in which we are domiciled and operate, and subject to various income tax rates under different jurisdictions.

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The following table sets forth a breakdown of our income tax expense for the years/periods indicated:

	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	283	196	(170)	295
	<u>2,578</u>	<u>1,760</u>	<u>800</u>	<u>833</u>

We were not subject to any income tax in the Cayman Islands pursuant to the tax laws and regulations of the Cayman Islands as we were incorporated in the Cayman Islands as an exempted company with limited liabilities under the Companies Act of the Cayman Islands.

Under Hong Kong’s two-tiered profits tax rates regime, our qualifying entity is subject to Hong Kong profits tax rate of 8.25% on assessable profits up to HK\$2.0 million, and 16.5% on assessable profits over HK\$2.0 million.

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.

Our effective income tax rate, calculated as income tax expenses divided by profit before income tax multiplied by 100.0%, was approximately 16.2%, 15.9%, 15.5%, and 31.5% for the two years ended 31 December 2025 and for the five months ended 31 May 2025 and 2026, respectively.

YEAR TO YEAR/PERIOD TO PERIOD COMPARISON OF RESULTS OF OPERATIONS

Five months ended 31 May 2026 compared to five months ended 31 May 2025

Revenue

Our revenue decreased by approximately 22.9% from approximately HK\$64.9 million for the five months ended 31 May 2025 to approximately HK\$50.0 million for the five months ended 31 May 2026, primarily due to the decrease in our revenue generated from concert projects from approximately HK\$43.3 million for the five months ended 31 May 2025 to approximately HK\$37.4 million for the five months ended 31 May 2026 and the decrease in our revenue generated from ceremony projects from approximately HK\$15.4 million for the five months ended 31 May 2025 to approximately HK\$5.2 million for the five months ended 31 May 2026. Such decrease was mainly attributable to a decreased number of concert and ceremony projects undertaken by our Group with contract sum over HK\$1.0 million. In particular, we participated in the grand opening ceremony and inaugural large-scale entertainment event of a flagship sports and leisure complex in March 2025.

Cost of sales

Our cost of sales decreased from approximately HK\$54.6 million for the five months ended 31 May 2025 to approximately HK\$40.5 million for the five months ended 31 May 2026, primarily due to the decrease in revenue and the decrease in rental expenses for lighting and sound equipment relating to short-term leases as a result of the purchase of new lighting and sound equipment during the year ended 31 December 2025.

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Gross profit and gross profit margin

As a result of the foregoing, our gross profit decreased from approximately HK\$10.3 million for the five months ended 31 May 2025 to approximately HK\$9.5 million for the five months ended 31 May 2026. Our gross profit margin increased from approximately 15.9% for the five months ended 31 May 2025 to approximately 19.1% for the five months ended 31 May 2026.

Other income

Our other income remained relatively stable at approximately HK\$41,000 for the five months ended 31 May 2025 and approximately HK\$40,000 for the five months ended 31 May 2026.

Other gains/(losses), net

Our net other losses remained stable at approximately HK\$21,000 and HK\$17,000 for the five months ended 31 May 2025 and 2026.

General and administrative expenses

Our general and administrative expenses increased from approximately HK\$4.3 million for the five months ended 31 May 2025 to approximately HK\$7.4 million for the five months ended 31 May 2026, primarily due to the [REDACTED] of approximately HK\$[REDACTED] million in relation to our preparation for the [REDACTED].

Provision for impairment losses on trade receivables

We recorded impairment losses on trade receivables of approximately HK\$0.7 million for the five months ended 31 May 2025 and approximately HK\$0.2 million for the five months ended 31 May 2026, primarily due to our provision of impairment for certain trade receivables.

Reversal of/(provision for) impairment losses on other receivables

We recorded impairment losses on other receivables of approximately HK\$0.2 million for the five months ended 31 May 2025 and reversal of impairment losses on other receivables of approximately HK\$0.8 million for the five months ended 31 May 2026. The change in our impairment on other receivables was primarily due to our reversal of impairment for consideration receivable.

Finance (costs)/income, net

Our net finance income was approximately HK\$24,000 for the five months ended 31 May 2025 and our net finance costs were approximately HK\$0.1 million for the five months ended 31 May 2026. The change was primarily due to the increase in unwinding interest of purchase payables for property, plant and equipment of approximately HK\$0.1 million.

Income tax expense

Our income tax expense remained stable at approximately HK\$0.8 million for the five months ended 31 May 2025 and approximately HK\$0.8 million for the five months ended 31 May 2026.

Our effective income tax rate were at approximately 15.5% for the five months ended 31 May 2025 and approximately 31.5% for the five months ended 31 May 2026. The increase in effective income tax rate for the five months ended 31 May 2026 was primarily due to the professional fees incurred for the preparation of [REDACTED] which are non-deductible for tax purposes.

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Profit for the period

As a result of the foregoing, our profit for the period decreased by approximately 58.6% from approximately HK\$4.4 million for the five months ended 31 May 2025 to approximately HK\$1.8 million for the five months ended 31 May 2026, while our net profit margin decreased from approximately 6.8% for the five months ended 31 May 2025 to approximately 3.6% for the five months ended 31 May 2026.

Year ended 31 December 2025 compared to year ended 31 December 2024

Revenue

Our revenue increased from approximately HK\$150.3 million for the year ended 31 December 2024 to approximately HK\$163.8 million for the year ended 31 December 2025, primarily due to the increase in revenue generated from concert and ceremony projects, owing to the increased number of concert and ceremony projects with contract sum over HK\$1.0 million undertaken by our Group.

Cost of sales

Our cost of sales increased from approximately HK\$125.6 million for the year ended 31 December 2024 to approximately HK\$139.6 million for the year ended 31 December 2025, primarily due to the increase in revenue and the increase in subcontracting costs and project consumables as a result of the increased number of concert and ceremony projects with contract sum over HK\$1.0 million undertaken by our Group.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit remained relatively stable from approximately HK\$24.7 million for the year ended 31 December 2024 to approximately HK\$24.2 million for the year ended 31 December 2025. Our gross profit margin slightly decreased from approximately 16.4% for the year ended 31 December 2024 to 14.8% for the year ended 31 December 2025.

Other income

Our other income increased from approximately HK\$65,000 for the year ended 31 December 2024 to approximately HK\$96,000 for the year ended 31 December 2025 primarily due to the rental income from a related party from May 2024, covering only eight months of rental receipts for the year ended 31 December 2024.

Other gains/(losses), net

Our net other gains increased from approximately HK\$33,000 for the year ended 31 December 2024 to approximately HK\$1.0 million for the year ended 31 December 2025 primarily due to the gain on the disposal of lighting and sound equipment of approximately HK\$1.3 million and partially offset by the exchange loss of approximately HK\$0.2 million.

General and administrative expenses

Our general and administrative expenses increased by approximately 8.1% from approximately HK\$9.0 million for the year ended 31 December 2024 to approximately HK\$9.8 million for the year ended 31 December 2025, primarily because of the increase in employee benefit expenses of approximately HK\$0.4 million.

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Provision for impairment losses on trade receivables

Our provision for impairment losses on trade receivables increased from approximately HK\$0.2 million for the year ended 31 December 2024 to approximately HK\$5.5 million for the year ended 31 December 2025, primarily due to the provision of approximately HK\$4.1 million in respect of the two projects for Customer I who commenced winding-up proceedings by way of a creditors’ voluntary liquidation in 2026.

Reversal of/(provision for) impairment losses on other receivables

We recorded reversal of impairment losses on other receivables of approximately HK\$0.4 million and approximately HK\$1.3 million for the two year ended 31 December 2025 respectively. The change was primarily due to the decrease of other receivables by the settlement by way of set-off against the related payable balances due to certain subcontractors.

Finance (costs)/income — net

Our net finance costs increased from approximately HK\$15,000 for the year ended 31 December 2024 to approximately HK\$0.1 million for the year ended 31 December 2025, primarily due to an increase of approximately HK\$0.3 million in unwinding interest of purchase payables for property, plant and equipment and the decrease of approximately HK\$53,000 in interest income from consideration receivable, partially offset by the decrease of approximately HK\$0.1 million in interest expenses on lease liabilities.

Income tax expense

Our income tax expense decreased by approximately 32.1% from approximately HK\$2.6 million for the year ended 31 December 2025 to approximately HK\$1.8 million for the year ended 31 December 2025, primarily due to our decreased taxable income.

Our effective income tax rate were approximately 16.2% for the year ended 31 December 2024 and 15.9% for the year ended 31 December 2025.

Profit for the year

As a result of the foregoing, our profit for the period decreased by approximately 30.1% from approximately HK\$13.3 million for the year ended 31 December 2024 to approximately HK\$9.3 million for the year ended 31 December 2025, while our net profit margin decreased from approximately 8.9% for the year ended 31 December 2024 to approximately 5.7% for the year ended 31 December 2025.

FINANCIAL INFORMATION

DISCUSSION ON SELECTED ITEMS OF COMBINED STATEMENTS OF FINANCIAL POSITION

Current Assets and Liabilities

The following table sets forth our current assets and liabilities as of the dates indicated:

	As of 31 December		As of 31 May	As of 30 June
	2024	2025	2026	2026
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Unaudited)
Current assets				
Trade receivables	14,639	35,154	27,190	16,131
Other receivables, deposits and prepayments	492	1,079	2,730	4,012
Amount due from a related company	—	—	8	—
Cash and cash equivalents	8,794	22,959	7,424	14,482
Total current assets	23,925	59,192	37,352	34,625
Current liabilities				
Trade payables	14,913	39,794	19,073	18,159
Contract liabilities	810	1,304	440	—
Accruals and other payables	2,842	7,982	8,599	8,670
Amount due to an intermediate holding company	47	47	47	47
Amount due to an immediate holding company	17,189	17,185	—	—
Amount due to related companies	2,550	2,492	—	—
Income tax payable	1,038	2,058	2,596	3,018
Lease liabilities	3,291	1,523	853	733
Total current liabilities	42,680	72,385	31,608	30,629
Net current (liabilities)/assets	(18,755)	(13,193)	5,744	3,998

Our net current liabilities decreased from approximately HK\$18.8 million as of 31 December 2024 to HK\$13.2 million as of 31 December 2025, primarily due to the increase in trade receivables of approximately HK\$20.5 million, the increase in cash and cash equivalents of approximately HK\$14.2 million, which were partially offset by the increase in trade payables of approximately HK\$24.9 million and the increase in accruals and other payables of approximately HK\$5.1 million.

We recorded net current assets position of approximately HK\$5.7 million as of 31 May 2026, primarily due to the capitalisation of outstanding balance of amount due to an immediate holding company of approximately HK\$17.2 million, the decrease in trade payables of approximately HK\$20.7 million, the decrease in amount due to related companies of approximately HK\$2.5 million, and the increase in other receivables, deposits and prepayments of approximately HK\$1.7 million, which were partially offset by the decrease in trade receivables of approximately HK\$8.0 million and the decrease in cash and cash equivalents of approximately HK\$15.5 million.

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Our net current assets remained relatively stable of approximately HK\$4.0 million as of 30 June 2026.

Trade Receivables

Our trade receivables represent outstanding amount due from our customers for the purchase of services we offered in the ordinary course of business, less provision for loss allowances. The following table sets forth a breakdown of our trade receivables as of the dates indicated:

	As of 31 December		As of 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Trade receivables	14,836	40,897	33,127
Less: provision for loss allowances	(197)	(5,743)	(5,937)
Total	14,639	35,154	27,190

Our trade receivables, net of provision for loss allowances, increased by approximately 140.1% from approximately HK\$14.7 million as of 31 December 2024 to approximately HK\$35.2 million as of 31 December 2025, primarily due to two relatively large-scale concerts projects scheduled to take place in late 2025. Our trade receivables, net of provision for loss allowances, decreased by approximately 22.7% to approximately HK\$27.2 million as of 31 May 2026, primarily due to the settlement of the abovementioned two projects in early 2026 and partially offset by three concerts projects scheduled to take place in April and May 2026.

The following table sets forth an aging analysis of our trade receivables as of the dates base on invoice date indicated:

	As of 31 December		As of 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
Total	14,836	40,897	33,127

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The following table sets forth the number of turnover days for our trade receivables for the year/period indicated:

	<u>Year ended 31 December</u>		<u>Five months ended</u>
	<u>2024</u>	<u>2025</u>	<u>31 May 2026</u>
Average trade receivables turnover days	40.1	62.1	111.0

Note: Average trade receivables turnover days equal the average of the opening and closing balances of amount of trade receivables of the period indicated divided by the revenue of the same period and multiplied by 365 days for a full-year period or 150 days for a five-month period.

The average trade receivables turnover days increased from approximately 40.1 days for the year ended 31 December 2024 to approximately 62.1 days for the year ended 31 December 2025 and further increased to approximately 111.0 days for the five months ended 31 May 2026, mainly due to the higher trade receivables as of 31 December 2025 as a result of two relatively large-scale concerts projects scheduled to take place in late 2025 and the relatively high trade receivables of 31 May 2026 as a result of three concerts projects scheduled to take place in April and May 2026.

As of 31 July 2026, HK\$20.4 million, or 61.7%, of our trade receivables as of 31 May 2026 had been settled.

Other receivables, deposits and prepayments

Our other receivables, deposits and prepayments primarily consist of: (i) prepayments; (ii) prepaid for [REDACTED]; (iii) other receivables; (iv) consideration receivables; (v) rental deposits; and (vi) other deposits.

The following table sets forth a breakdown of our other receivables, deposits and prepayments as of the dates indicated:

	<u>As of 31 December</u>		<u>As of</u>
	<u>2024</u>	<u>2025</u>	<u>31 May 2026</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
Prepayments	161	202	121
Prepaid for [REDACTED]	—	—	[REDACTED]
Other receivables	55	85	85
Consideration receivables	23,267	19,824	18,839
Rental deposits	681	753	763
Other deposits	276	39	32
Less: provision for loss allowance	(13,716)	(12,852)	(12,214)
Less: non-current portion			
— Rental deposits	(681)	—	—
— Consideration receivable	(9,551)	(6,972)	(6,625)
Total	<u>492</u>	<u>1,079</u>	<u>2,730</u>

Our other receivables, deposits and prepayments increased from approximately HK\$0.5 million as of 31 December 2024 to approximately HK\$1.1 million as of 31 December 2025 mainly due to the increase in rental deposit, less of non-current portion.

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Our other receivables, deposits and prepayments increased to approximately HK\$2.7 million as of 31 May 2026, primarily due to the increase in the prepaid [REDACTED] of approximately HK\$[REDACTED].

Trade payables

Trade payables represent our obligations to pay for rental fee for lighting and/or sound equipment or services that we have acquired in the ordinary course of business from our suppliers.

The following table sets our trade payables as of the dates indicated:

	As of 31 December		As of 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Trade payables	14,913	39,794	19,073

Our trade payables increased by approximately 166.8% from approximately HK\$14.9 million as of 31 December 2024 to approximately HK\$39.8 million as of 31 December 2025, primarily due to the increase in lighting and sound equipment and manpower for two relatively large-scale concerts projects scheduled to take place in late 2025. Our trade payables decreased by approximately 52.1% to HK\$19.1 million as of 31 May 2026, primarily due to settlement of the abovementioned two projects in early 2026 partially offset by the increase in lighting and sound equipment and manpower for three concerts projects scheduled to take place in April and May 2026.

The following table sets forth an aging analysis of our trade payables based on invoice date as of the dates indicated:

	As of 31 December		As of 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
Total	14,913	39,794	19,073

Our trade payables aged less than 31 days amounted to approximately HK\$7.9 million, HK\$18.6 million and HK\$8.2 million as of 31 December 2024 and 2025 and 31 May 2026, accounting for approximately 52.7%, 46.8% and 43.2% of our total trade payables as of the same dates, respectively. The increase in the absolute amount of our trade payables aged less than 31 days as of 31 December 2025 were primarily due to the increase in lighting and sound equipment and manpower for two relatively large-scale concerts projects scheduled to take place in late 2025. Our trade payables aged over 30 days amounted to approximately HK\$7.1 million, HK\$21.2 million and HK\$10.8 million as of 31 December 2024 and 2025 and 31 May 2026, respectively. The increase in our trade payables aged over 30 days as of 31 December 2025 was primarily due to the increase in lighting and sound equipment and manpower for two relatively large-scale concerts projects scheduled to take place in late 2025.

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The following table sets forth the number of turnover days for our trade payables for the year/period indicated:

	<u>Year ended 31 December</u>		<u>Five months ended</u>
	<u>2024</u>	<u>2025</u>	<u>31 May 2026</u>
Average trade payables turnover days	52.7	71.7	109.6

Note: Average trade payables turnover days equal the average of the opening and closing balances of amount of trade payables of the period indicated divided by the cost of sales of the same period and multiplied by 365 days for a full-year period or 150 days for a five-month period.

The average trade payables turnover days increased from approximately 52.7 days for the year ended 31 December 2024 to approximately 71.7 days for the year ended 31 December 2025 and further increased to approximately 109.6 days for the five months ended 31 May 2026, mainly due to the higher trade payables as of 31 December 2025 as a result of the increase in lighting and sound equipment and manpower for two relatively large-scale concerts projects scheduled to take place in late 2025 and the relatively high trade payables as of 31 May 2026 as a result of increase in lighting and sound equipment and manpower for three concerts projects scheduled to take place in April and May 2026.

As of 31 July 2026, HK\$12.6 million, or 65.9%, of our trade payables as of 31 May 2026 had been settled.

Accruals and other payables

Our accruals and other payables primarily consist of salaries and welfare payables, and the purchase of new lighting and sound equipment.

The following table sets forth a breakdown of our accruals and other payables as of the dates indicated:

	<u>As of 31 December</u>		<u>As of 31 May</u>
	<u>2024</u>	<u>2025</u>	<u>2026</u>
	<u>HK\$'000</u>	<u>HK\$'000</u>	<u>HK\$'000</u>
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	542	10,487	9,226
Less: non-current portion — Purchase payables for property, plant and equipment	—	(5,566)	(3,760)
Total	<u>2,842</u>	<u>7,982</u>	<u>8,599</u>

Our accruals and other payables increased from approximately HK\$2.8 million as of 31 December 2024 to approximately HK\$8.0 million as of 31 December 2025 and remained stable at approximately HK\$8.6 million as of 31 May 2026. The increase was primarily due to an increase in purchase payables for property, plant and equipment, less non-current portion, of approximately HK\$4.4 million as a result of our purchase of new equipment during the year ended 31 December 2025.

Contract liabilities

Our contract liabilities represent the advance payments made by customers while the underlying services are yet to be provided.

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Our contract liabilities increased from approximately HK\$0.8 million as of 31 December 2024 to approximately HK\$1.3 million as of 31 December 2025 primarily due to the advance payment received from customer upon project confirmation and the respective project was commenced in early 2026. Our contract liabilities decreased to approximately HK\$0.4 million as of 31 May 2026, primarily due to the deduction of advance payments by progress payments for certain projects.

As of 31 July 2026, HK\$0.4 million, or 100%, of our contract liabilities as of 31 May 2026 had been settled.

Amount due to an immediate holding company

Amount due to an immediate holding company (non-trade in nature) were approximately HK\$17.2 million, HK\$17.2 million and nil as of 31 December 2024, 2025 and 31 May 2026, mainly represented the loans from Colour Tone. As of 31 December 2024, 2025 and 31 May 2026, the amount due to an immediate holding company were unsecured, interest-free and repayable on demand.

Non-current Assets and Liabilities

The following table sets forth our non-current assets and liability as of the dates indicated:

	As of 31 December		As of 31 May
	2024	2025	2026
	HK\$'000	HK\$'000	HK\$'000
Non-current assets			
Property, plant and equipment	28,417	40,043	39,671
Right-of-use assets	4,747	1,458	747
Financial asset at fair value through other comprehensive income	11	13	16
Other receivable and deposits	10,232	6,972	6,625
Total non-current assets	43,407	48,486	47,059
Non-current liabilities			
Other payables	—	5,566	3,760
Lease liabilities	1,505	—	—
Deferred tax liabilities	2,873	3,069	3,364
Provision for long service payments	839	950	857
Total non-current liabilities	5,217	9,585	7,981
Net assets	19,435	25,708	44,828

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Property, plant and equipment

Our property, plant and equipment mainly comprise lighting and sound equipment.

Our property, plant and equipment increased from approximately HK\$28.4 million as of 31 December 2024 to approximately HK\$40.0 million as of 31 December 2025 due to the purchase of new lighting and sound equipment during the year ended 31 December 2025. Our property, plant and equipment remained relatively stable at approximately HK\$39.7 million as of 31 May 2026.

Right-of-use assets

Our right-of-use assets are mainly associated with leased office and warehouse. Our right-of-use assets decreased from approximately HK\$4.7 million as of 31 December 2024 to approximately HK\$1.5 million as of 31 December 2025 and further decreased to approximately HK\$0.7 million as of 31 May 2026, primarily because of the amortisation of right-of-use assets according to the terms in lease agreements.

Other receivable and deposits

Our other receivable and deposits mainly comprise the consideration receivable.

Our other receivable and deposits decreased from approximately HK\$10.2 million as of 31 December 2024 to approximately HK\$7.0 million as of 31 December 2025 and further decreased to approximately HK\$6.6 million as of 31 May 2026, primarily due to the settlement by way of set-off against the trade payable balances due to certain subcontractors.

Other payables

Our other payables mainly comprise the payable for the purchase of new lighting and sound equipment. Our other payables increased to approximately HK\$5.6 million as of 31 December 2025, primarily because of the new purchase of the lighting and sound equipment during the year ended 31 December 2025. Our other payables decreased to approximately HK\$3.8 million as of 31 May 2026, primarily due to repayment of the installment of the new purchase of the lighting and sound equipment.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period and up to the Latest Practicable Date, we have funded our cash requirements principally from cash generated from our operations. We had cash and cash equivalents of approximately HK\$8.8 million, HK\$23.0 million and HK\$7.4 million as of 31 December 2024, 2025 and 31 May 2026, respectively.

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Cash flows

The following table sets forth our cash flows for the years/periods indicated:

	Year ended 31 December		Five months ended 31 May	
	2024	2025	2025	2026
	HK\$'000	HK\$'000	HK\$'000 (Unaudited)	HK\$'000
Net cash generated from/(used in) operating activities	13,782	28,841	11,572	(7,715)
Net cash used in investing activities	(10,542)	(7,472)	(4,162)	(1,416)
Net cash used in financing activities	(5,395)	(7,204)	(1,925)	(6,404)
Net (decrease)/increase in cash and cash equivalents	(2,155)	14,165	5,485	(15,535)
Cash and cash equivalents at beginning of year/period	10,949	8,794	8,794	22,959
Cash and cash equivalents at the end of the year/period	8,794	22,959	14,279	7,424

Cash flows generated from/(used in) operating activities

Our cash flows from operating activities consisted of revenue from our services provided. Cash flow from operating activities reflects: (i) profit before income tax adjusted for non-cash and non-operating items, such as depreciation of property, plant and equipment and right-of-use assets, provision for/(reversal of) impairment loss on trade receivables and other receivables, provision for long service payments, written-off of property, plant and equipment, gain on disposal of property, plant and equipment, loss on lease modification, finance income and finance costs; and (ii) the effects of movements in working capital.

For the five months ended 31 May 2026, we had cash generated from operating activities of HK\$7.7 million. This amount represented our profit before income tax of approximately HK\$2.6 million, adjusted for non-cash and non-operating items, primarily include (i) depreciation of property, plant and equipment of approximately HK\$2.9 million, (ii) depreciation of right-of-use assets of approximately HK\$0.7 million, (iii) provision for impairment loss on trade receivables of approximately HK\$0.2 million, (iv) reversal of impairment loss on other receivables of approximately HK\$0.8 million, (v) provision for long service payments of approximately HK\$24,000, (vi) finance income of approximately HK\$0.1 million, and (vii) finance costs of approximately HK\$0.2 million. The amount was further adjusted by changes in certain working capital accounts, primarily include: (i) decrease in trade receivables of approximately HK\$7.8 million, (ii) increase in other receivables, deposits and prepayments of approximately HK\$0.5 million, (iii) decrease in amount due to a related company of approximately HK\$0.5 million, (iv) decrease in trade payables of approximately HK\$19.5 million, (v) increase in accruals and other payables of approximately HK\$72,000, and (vi) decrease in contract liabilities of approximately HK\$0.9 million.

For the five months ended 31 May 2025, we had cash generated from operating activities of HK\$11.6 million. This amount represented our profit before income tax of approximately HK\$5.2 million, adjusted for non-cash and non-operating items, primarily include (i) depreciation of property, plant and equipment of approximately HK\$2.9 million, (ii) depreciation of right-of-use assets of approximately HK\$1.4 million, (iii) provision for impairment loss on trade receivables of approximately

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HK\$0.7 million, (iv) provision for impairment loss on other receivables of approximately HK\$0.2 million, (v) provision for long service payments of approximately HK\$26,000 million, (vi) loss on lease modification of approximately HK\$0.1 million, (vii) finance income of approximately HK\$0.4 million, and (viii) finance costs of approximately HK\$0.1 million. The amount was further adjusted by changes in certain working capital accounts, primarily include: (i) increase in trade receivables of approximately HK\$12.6 million, (ii) decrease in other receivables, deposits and prepayments of approximately HK\$1.5 million, (iii) increase in amount due to a related company of approximately HK\$0.6 million, (iv) increase in trade payables of approximately HK\$12.3 million, (v) decrease in accruals and other payables of approximately HK\$0.5 million, and (vi) decrease in contract liabilities of approximately HK\$0.1 million.

For the year ended 31 December 2025, we had cash generated from operating activities of approximately HK\$28.8 million. This amount represented our profit before income tax of approximately HK\$11.1 million, adjusted for non-cash and non-operating items, primarily include (i) depreciation of property, plant and equipment of approximately HK\$7.2 million, (ii) depreciation of right-of-use assets of approximately HK\$3.4 million, (iii) provision for impairment loss on trade receivables of approximately HK\$5.5 million, (iv) reversal of impairment loss on other receivables of approximately HK\$1.3 million, (v) provision for long service payments of approximately HK\$62,000, (vi) written-off of property, plant and equipment of approximately HK\$65,000, (vii) gain on disposal of property, plant and equipment of approximately HK\$1.3 million, (viii) loss on lease modification of approximately HK\$0.1 million, (ix) finance income of approximately HK\$0.4 million, and (x) finance costs of approximately HK\$0.5 million. The amount was further adjusted by changes in certain working capital accounts, primarily include: (i) increase in trade receivables of approximately HK\$26.1 million, (ii) decrease in other receivables, deposits and prepayments of approximately HK\$0.1 million, (iii) decrease in amount due to a related company of approximately HK\$58,000, (iv) increase in trade payables of approximately HK\$29.1 million, (v) increase in accruals and other payables of approximately HK\$0.8 million, and (vi) increase in contract liabilities of approximately HK\$0.5 million.

For the year ended 31 December 2024, we had cash generated from operating activities of approximately HK\$13.8 million. This amount represented our profit before income tax of approximately HK\$15.9 million, adjusted for non-cash and non-operating items, primarily include (i) depreciation of property, plant and equipment of approximately HK\$5.8 million, (ii) depreciation of right-of-use assets of approximately HK\$3.1 million, (iii) provision for impairment loss on trade receivables of approximately HK\$0.2 million, (iv) reversal of impairment loss on other receivables of approximately HK\$0.4 million, (v) provision for long service payments of approximately HK\$60,000, (vi) finance income of approximately HK\$0.4 million, and (v) finance costs of approximately HK\$0.4 million. The amount was further adjusted by changes in certain working capital accounts, primarily include: (i) decrease in trade receivables of approximately HK\$3.4 million, (ii) decrease in other receivables, deposits and prepayments of approximately HK\$0.6 million, (iii) increase in amount due to a related company of approximately HK\$0.6 million, (iv) decrease in trade payables of approximately HK\$4.2 million, (v) increase in accruals and other payables of approximately HK\$0.9 million, and (vi) decrease in contract liabilities of approximately HK\$10.5 million.

Cash flows used in investing activities

Our cash outflows from investing activities primarily consisted of purchase of property, plant and equipment. Our cash inflows from investing activities primarily consisted of proceeds from disposal of property, plant and equipment.

For the five months ended 31 May 2026, we had net cash used in investing activities of approximately HK\$1.4 million, mainly attributable to purchase of property, plant and equipment of approximately HK\$1.4 million.

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For the five months ended 31 May 2025, we had net cash used in investing activities of approximately HK\$4.2 million, mainly attributable to purchase of property, plant and equipment of approximately HK\$4.2 million.

For the year ended 31 December 2025, we had net cash used in investing activities of approximately HK\$7.5 million, mainly attributable to: (i) purchase of property, plant and equipment of approximately HK\$10.0 million; and (ii) proceeds from disposal of property, plant and equipment of approximately HK\$2.6 million.

For the year ended 31 December 2024, we had net cash generated from investing activities of approximately HK\$10.5 million, mainly attributable to purchase of property, plant and equipment of approximately HK\$10.5 million.

Cash flows used in financing activities

Our cash inflows from financing activities consisted of repayments of borrowings, repayments of purchase payables for property, plant and equipment, dividend paid, payment for principal and interest of lease liabilities, repayment to amount due to an immediate holding company, repayments to related companies and prepayments for [REDACTED].

For the five months ended 31 May 2026, we had net cash used in financing activities of approximately HK\$6.4, mainly attributable to: (i) repayments of purchase payables for property, plant and equipment of approximately HK\$2.6 million, (ii) payment for principal and interest of lease liabilities of approximately HK\$0.7 million, (iii) repayments to related companies of approximately HK\$2.0 million and (iv) prepayments for [REDACTED] of approximately [REDACTED].

For the five months ended 31 May 2025, we had net cash used in financing activities of approximately HK\$1.9 million, mainly attributable to: (i) repayments of purchase payables for property, plant and equipment of approximately HK\$0.5 million and (ii) payment for principal and interest of lease liabilities of approximately HK\$1.4 million.

For the year ended 31 December 2025, we had net cash used in financing activities of approximately HK\$7.2 million, mainly attributable to: (i) repayments of purchase payables for property, plant and equipment of approximately HK\$0.5 million, (ii) dividend paid of approximately HK\$3.0 million, (iii) payment for principal and interest of lease liabilities of approximately HK\$3.7 million, and (iv) repayment to amount due to an immediate holding company of approximately HK\$4,000.

For the year ended 31 December 2024, we had net cash used in financing activities of approximately HK\$5.4 million, mainly attributable to: (i) repayments of borrowings of approximately HK\$1.4 million, (ii) repayments of purchase payables for property, plant and equipment of approximately HK\$0.7 million, and (iii) payment for principal and interest of lease liabilities of approximately HK\$3.3 million.

WORKING CAPITAL SUFFICIENCY

During the Track Record Period, we met our working capital requirements mainly from cash generated from operations. Taking into account the financial resources available to us, including our cash and cash equivalents on hand and the estimated [REDACTED] from the [REDACTED], our Directors are of the view that we have sufficient working capital to meet our present requirements and for the next 12 months from the date of this document.

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INDEBTEDNESS

The following table sets forth the components of our indebtedness as of the dates indicated:

	As of 31 December		As of	As of
	2024	2025	31 May 2026	30 June 2026
	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Unaudited)
Current liabilities				
Lease liabilities	3,291	1,523	853	733
Purchase payables for property, plant and equipment	<u>542</u>	<u>4,921</u>	<u>5,466</u>	<u>5,619</u>
	<u>3,812</u>	<u>6,439</u>	<u>6,319</u>	<u>6,352</u>
Non-current liabilities				
Lease liabilities	1,505	—	—	—
Purchase payables for property, plant and equipment	<u>—</u>	<u>5,566</u>	<u>3,760</u>	<u>3,710</u>
	<u>1,505</u>	<u>5,566</u>	<u>3,760</u>	<u>3,710</u>
Total	<u><u>5,317</u></u>	<u><u>12,005</u></u>	<u><u>10,079</u></u>	<u><u>10,062</u></u>

Save for the bank borrowings aforementioned, during the Track Record Period and up to 30 June 2026, being the latest practicable date for the purpose of this indebtedness statement, we did not have any other bank borrowings or banking facilities. Our Directors confirmed that they are not aware of any foreseeable problem in obtaining facilities for our business should the need arises, having considered our Group is financially healthy in general.

As of 30 June 2026, save as aforesaid or as otherwise disclosed herein, our Group did not have outstanding mortgages, charges, debentures, bank overdrafts, loans or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities outstanding.

TRANSACTIONS WITH RELATED PARTIES

During the Track Record Period, our Group had entered into certain transactions with related parties, details of which are set out in Note 25 to the Accountant's Report in Appendix I to this document.

The transactions in relation to (i) the sale of services to 168 Production of approximately HK\$2.7 million, HK\$2.9 million and HK\$2.0 million for the two years ended 31 December 2025 and the five months ended 31 May 2026, respectively, (ii) the rental income from 168 Production of approximately HK\$64,000, HK\$96,000 and HK\$40,000 for the two years ended 31 December 2025 and the five months ended 31 May 2026, respectively, (iii) the subcontracting fee to 168 Production of approximately HK\$1.4 million and HK\$2.1 million for the two years ended 31 December 2025, (iv) the management service charge from 168 Production of approximately HK\$0.2 million and HK\$0.3 million for the two years ended 31 December 2025, (v) the management service charge from Architectural Project Unit Limited of approximately HK\$0.4 million and HK\$0.4 million for the two years ended 31 December 2025, (vi) the sale of services to DeMain Culture Engineering Limited of approximately HK\$3.2 million for the year ended 31 December 2025, (vii) the subcontracting fee to DeMain Culture Engineering Limited of approximately HK\$25,000 for the year ended 31 December 2025, (viii) the sale

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of services to DeMain Culture Entertainment Limited of approximately HK\$0.3 million for the year ended 31 December 2024, and (ix) the sale of advisory service to DeMain Culture Management Limited of approximately HK\$1.4 million for the five months ended 31 May 2026, are trade in nature.

Having considered that (i) we generally charged our related parties at market price for services provided to them; (ii) our related party paid us at market rates for the lease of office premise; and (iii) our related parties charged us at market price for the subcontracting fee and management service charge, our Directors are of the view that these transactions were conducted on an arm’s length basis, and would not distort our operating results during the Track Record Period or make our historical results during the Track Record Period not reflective of our expectations of our future performance.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

During the Track Record Period and up to the Latest Practicable Date, we had not entered into off balance sheet commitment and arrangements.

CAPITAL EXPENDITURES AND COMMITMENTS

Our Group incurred and paid capital expenditures of approximately HK\$11.4 million, HK\$20.2 million and HK\$2.5 million for the two years ended 31 December 2025 and the five months ended 31 May 2026, respectively. The capital expenditures were related to purchases of property, plant and equipment and were mainly funded through our internal resources.

As of 31 December 2024, 2025 and 31 May 2026, we had no significant capital commitments.

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods or as of the dates indicated:

	<u>Year ended 31 December</u>		<u>Five months ended</u>
	<u>2024</u>	<u>2025</u>	<u>31 May 2026</u>
Gross profit margin ⁽¹⁾	16.4%	14.8%	19.1%
Net profit margin ⁽²⁾	8.9%	5.7%	3.6%
Return on equity ⁽³⁾	68.6%	36.3%	4.0%
Return on assets ⁽⁴⁾	19.8%	8.7%	2.1%
	<u>As of 31 December</u>		<u>As of</u>
	<u>2024</u>	<u>2025</u>	<u>31 May 2026</u>
Current ratio ⁽⁵⁾	0.6 times	0.8 times	1.2 times
Quick ratio ⁽⁶⁾	0.6 times	0.8 times	1.2 times
Gearing ratio ⁽⁷⁾	24.7%	5.9%	1.9%

Notes:

- (1) Gross profit margin is calculated based on gross profit divided by revenue and multiplied by 100%.
- (2) Net profit margin is calculated based on profit for the period divided by revenue and multiplied by 100%.
- (3) Return on equity is calculated based on profit/annualised profit for the period indicated divided by the total equity at the end of the same period and multiplied by 100%

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- (4) Return on assets is calculated based on profit/annualised profit for the period indicated divided by total assets at the end of the same period and multiplied by 100%.
- (5) Current ratio is calculated based on total current assets divided by total current liabilities.
- (6) Quick ratio is calculated based on total current assets less inventories divided by total current liabilities.
- (7) Gearing ratio is calculated based on total interest-bearing borrowings (including bank borrowings and lease liabilities) divided by total equity multiplied by 100%.

Gross profit margin and net profit margin

Please refer to “Year to Year/Period to Period Comparison of Results of Operations” in this section for a discussion of the factors affecting our gross profit margin and net profit margin during the respective periods.

Return on equity

Our Group’s return on equity was approximately 68.6%, 36.3% and 4.0% for the two years ended 31 December 2025 and the five months ended 31 May 2026, respectively. The decrease in return on equity was primarily due to the decrease in our profit for the year ended 31 December 2025 and the increase in our equity for the five months ended 31 May 2026.

Return on assets

Our Group’s return on assets was approximately 19.8%, 8.7% and 2.1% for the two years ended 31 December 2025 and the five months ended 31 May 2026, respectively. The decrease in return on assets was primarily due to the decrease in our profit for the year ended 31 December 2025 and the [REDACTED] incurred for the five months ended 31 May 2026.

Current ratio

Our Group’s current ratio remained stable at approximately 0.6 times, 0.8 times and 1.2 times as of 31 December 2024, 2025 and 31 May 2026, respectively.

Quick ratio

As of 31 December 2024, 2025 and 31 May 2026, our Group’s quick ratio remained stable at approximately 0.6 times, 0.8 times and 1.2 times respectively.

Gearing ratio

As of 31 December 2024, 2025 and 31 May 2026, our Group’s gearing ratio were approximately 24.7%, 5.9% and 1.9% respectively. The decrease in gearing ratio was primarily due to the decrease in lease liabilities.

DIVIDEND

Dividend distribution to our shareholders is recognised as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate. During the Track Record Period, we declared and distributed dividends of HK\$3.0 million in 2025.

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Our Group does not have a dividend policy or any predetermined dividend distribution ratio. The declaration of future dividends, and the amount of any dividends, will be subject to the recommendation by our Board at its discretion in accordance with our Articles of Association and will depend on a number of factors, including market conditions, our strategic plans and prospects, business opportunities, financial condition and operating results, working capital requirements and anticipated cash needs, statutory and contractual restrictions on the payment of dividends by us and other factors that our Board considers relevant. Any declaration of final dividend by our Company shall also be subject to the approval of our Shareholders.

RECENT DEVELOPMENT AND MATERIAL ADVERSE CHANGES

Our Directors confirm that, save for the estimated non-recurring [REDACTED], there has been no material adverse change in the financial or trading position or prospects of our Group since 31 May 2026 (being the date to which the latest combined financial statements of our Group were made up) and up to the date of this document, and there is no event since 31 May 2026 and up to the date of this document which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this document.

[REDACTED]

The total estimated [REDACTED] in connection with the [REDACTED] are approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the gross proceeds from the [REDACTED], of which approximately HK\$[REDACTED] million is directly attributable to the issue of the [REDACTED] which is expected to be accounted for as a deduction from equity upon the [REDACTED] in accordance with relevant accounting standards. The remaining estimated [REDACTED] amount to approximately HK\$[REDACTED] million, of which (i) approximately HK\$[REDACTED] million was recognised for the five months ended 31 May 2026; and (ii) approximately HK\$[REDACTED] million is expected to be recognised as expenses from 1 June 2026 and up to the [REDACTED]. Such total estimated [REDACTED] include (i) [REDACTED]-related expenses of approximately HK\$[REDACTED] million; (ii) fees and expenses of legal advisers and reporting accountant of approximately HK\$[REDACTED] million; and (iii) other fees and expenses of approximately HK\$[REDACTED] million. The [REDACTED] above are the current estimate for reference only and the final amount to be recognised to our consolidated statement of comprehensive income is subject to audit and the then changes in variables and assumptions.

DISTRIBUTABLE RESERVES

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

FINANCIAL RISK MANAGEMENT

Our Group is exposed to various types of financial risks in the ordinary course of business, including market risk, credit risk and liquidity risk. Details of the risks to which we are exposed to are set out in Note 3 to the Accountant’s Report set out in Appendix I to this document.

[REDACTED] STATEMENT OF ADJUSTED NET TANGIBLE ASSETS

For the [REDACTED] statement of adjusted net tangible assets of our Group prepared in accordance with Rule 7.31 of the GEM Listing Rules illustrating the effect of the [REDACTED] on the net tangible assets of our Group attributable to owners of our Company as of 31 May 2026 as if the [REDACTED] had taken place on that date, please refer to Appendix II to this document.

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DISCLOSURE UNDER RULES 17.15 TO 17.21 OF THE GEM LISTING RULES

Our Directors have confirmed that, as of the Latest Practicable Date, save as disclosed in this section and the Accountant’s Report set out in Appendix I to this document, there was no circumstance which would have given rise to any disclosure requirement under Rules 17.15 to 17.21 of the GEM Listing Rules.

[REDACTED] AND [REDACTED]

BUSINESS OBJECTIVES AND STRATEGIES

Our Group intends to expand its business operations by implementing the business strategies described in this document. For further details of these business strategies, please refer to the section headed “Business — Our business strategies” in this document. The implementation of our Group’s business strategies is subject to various risks, uncertainties and assumptions, and our actual business development and operating results may differ from those contemplated by the business objectives set out in this document. There can be no assurance that our Group will be able to implement its business plans within the anticipated timeframe, or at all, or that the business objectives set out in this document will be achieved.

REASONS FOR THE [REDACTED]

Our Directors believe that the [REDACTED] will enhance our fund-raising capabilities. The [REDACTED] from the issue of the [REDACTED] pursuant to the [REDACTED] will strengthen our financial position and provide additional financial resources to support the implementation of the business plans described under the paragraph headed “Implementation plans” in this section. In addition, [REDACTED] on the Stock Exchange will provide our Group with access to the capital markets for future fund-raising and corporate finance activities, thereby supporting our future business development and enhancing our competitiveness. The [REDACTED] is also expected to broaden our shareholder base and may improve the liquidity of trading in the Shares. Furthermore, our Directors believe that our internal control procedures and corporate governance standards will be further enhanced following the [REDACTED].

Our major equipment assets generally have an estimated useful life of approximately 10 years. Our Group has financed the acquisition of lighting and sound equipment primarily through internal resources. Should our Group be able to finance a substantial portion of its future capital expenditure through equity financing, our financing costs and gearing level may be reduced as compared with financing such expenditure through debt financing.

Our Group also maintains a long-term vision for its expansion and development within the Greater Bay Area. In view of the long-term nature of the related investments and capital expenditure, our Directors believe that equity financing is a more suitable funding source than bank borrowings, as it better aligns the funding horizon with the economic life of the relevant assets and the implementation timeline of our strategic initiatives. Accordingly, our Directors consider it prudent to utilise equity financing to fund a significant portion of the costs and expenses associated with the acquisition of equipment, as well as the establishment and development of our operations within the Greater Bay Area. This approach is expected to enhance our financial flexibility, strengthen our capital base and support the sustainable long-term growth of our business.

[REDACTED] AND [REDACTED]

[REDACTED]

We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million from the [REDACTED] (after deducting the [REDACTED] and [REDACTED]) and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED]. We intend to use all of the [REDACTED] from the [REDACTED] for the following purposes:

- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for acquisition of advanced lighting and sound equipment. We set out below a breakdown of the [REDACTED] from the [REDACTED] allocated for the acquisition of equipment:

Types of equipment	Quantities	Estimated unit cost HK\$'000	Estimated total cost HK\$'000
Stage lighting equipment			
Advanced moving laser lighting fixtures	125	[REDACTED]	[REDACTED]
High-CRI LED lighting fixtures	250	[REDACTED]	[REDACTED]
Specialised LED lighting fixtures	12	[REDACTED]	[REDACTED]
Strobe lighting devices	50	[REDACTED]	[REDACTED]

Sound equipment

Advanced professional concert sound systems with auxilliary equipments	1	[REDACTED]	[REDACTED]
Advanced digital mixing console	1	[REDACTED]	[REDACTED]

- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for establishment of the operating base in Guangdong Province.

- (i) approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for acquisition of stage lighting and sound equipment for Guangdong Province's operation. We set out below a breakdown of the [REDACTED] from the [REDACTED] allocated for the acquisition of equipment:

Types of equipment	Quantities	Estimated unit cost HK\$'000	Estimated total cost HK\$'000
Stage lighting equipment			
Advanced moving laser lighting fixtures	25	[REDACTED]	[REDACTED]
High-CRI LED lighting fixtures	50	[REDACTED]	[REDACTED]
Specialised LED lighting fixtures	4	[REDACTED]	[REDACTED]
Strobe lighting devices	10	[REDACTED]	[REDACTED]

Sound engineering equipment

Advanced professional concert sound systems with auxilliary equipments	1	[REDACTED]	[REDACTED]
Advanced digital mixing console	1	[REDACTED]	[REDACTED]

[REDACTED] AND [REDACTED]

- (ii) approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for the establishment of a new operating team of approximately 10 staff members;
 - (iii) approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for office rental, utilities and other related operating expenses; and
 - (iv) approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED] from the [REDACTED], will be used for fit-out, renovation and decoration expenses associated with the establishment of the new operating office.
- approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used to recruit additional professionals by hiring approximately 5 staff to strengthen our project execution capabilities and support our business expansion.
 - approximately HK\$[REDACTED] million, representing approximately [REDACTED]% of the estimated [REDACTED], will be used for our general working capital.

Set out below is the estimated timing of using the [REDACTED] from the [REDACTED]:

	From the [REDACTED] to 31 December		31 December		31 December		Approximate percentage of
	2026	30 June 2027	2027	30 June 2028	2028	Total	[REDACTED]
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	%
Acquisition of advanced lighting and sound equipment	—	—	[REDACTED]	—	—	[REDACTED]	[REDACTED]%
Establishment of the operating base in Guangdong Province	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
Recruit additional professionals	—	—	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]%
General working capital	[REDACTED]	[REDACTED]	—	—	—	[REDACTED]	[REDACTED]%
Total	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	

[REDACTED] AND [REDACTED]

IMPLEMENTATION PLANS

In pursuance of the business objectives and strategies set out above, our implementation plans are set out below from the [REDACTED] to 31 December 2026 and then for each of the six-month periods until 31 December 2029.

For the period from the [REDACTED] to 31 December 2026

<u>Business strategies</u>	<u>Implementation plans</u>	<u>[REDACTED]</u> HK\$ million
----------------------------	-----------------------------	-----------------------------------

General working capital	—	[REDACTED]
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For the six months period ended from 1 January 2027 to 30 June 2027

<u>Business strategies</u>	<u>Implementation plans</u>	<u>[REDACTED]</u> HK\$ million
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Establishment of the operating base in Guangdong Province	Renovation of new operating base	[REDACTED]
	Recruitment and training of new professional team in Guangdong	
	Delivery of equipment for operation in Guangdong province	
	Arrange training provided by the vendor for our technical staff in handling of the new equipment	

General working capital	—	[REDACTED]
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For the six months period ended from 1 July 2027 to 31 December 2027

<u>Business strategies</u>	<u>Implementation plans</u>	<u>[REDACTED]</u> HK\$ million
----------------------------	-----------------------------	-----------------------------------

Acquisition of advanced stage lighting and sound equipment	Delivery of equipment ordered	[REDACTED]
	Arrange training provided by the vendor for our technical staff in handling of the new equipment	

Establishment of the operating base in Guangdong Province	Operation of base in Guangdong province	[REDACTED]
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Recruit additional professional	New professional team in operation	[REDACTED]
---------------------------------	------------------------------------	------------

[REDACTED] AND [REDACTED]

For the six months period ended from 1 January 2028 to 30 June 2028

<u>Business strategies</u>	<u>Implementation plans</u>	<u>[REDACTED]</u> HK\$ million
Establishment of the operating base in Guangdong Province	Operation of base in Guangdong province	[REDACTED]
Recruit additional professional	New professional team in operation	[REDACTED]

For the six months period ended from 1 July 2028 to 31 December 2028

<u>Business strategies</u>	<u>Implementation plans</u>	<u>[REDACTED]</u> HK\$ million
Establishment of the operating base in Guangdong Province	Operation of base in Guangdong province	[REDACTED]
Recruit additional professional	New professional team in operation	[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

STRUCTURE AND CONDITIONS OF THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

HOW TO APPLY FOR THE [REDACTED]

[REDACTED]

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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ACCOUNTANT’S REPORT

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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ACCOUNTANT’S REPORT

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]

APPENDIX I**ACCOUNTANT’S REPORT**

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.

APPENDIX I

ACCOUNTANT’S REPORT

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

APPENDIX I

ACCOUNTANT’S REPORT

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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		Attributable to owners of the Company			
	Note	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
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
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	As at			
			31 December	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:

	<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>
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.

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

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 (Note 14)	—	1,315	—	—
Gain on disposal of property, plant and equipment (Note 6)	—	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	(8,794)	—	4,796	17,189	47	2,000	542	15,780
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	(22,959)	—	1,523	17,185	47	2,000	10,487	8,283
(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	(14,279)	—	3,717	17,189	47	2,000	11,342	20,016
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	(7,424)	—	853	—	47	—	9,226	2,702

(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.

APPENDIX I**ACCOUNTANT’S REPORT**

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.

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX II

[REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Set out below is a summary of certain provisions of the Memorandum and Articles of Association of the Company and of certain aspects of Cayman company law.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 12 August 2026 under the Companies Act (As Revised) of the Cayman Islands (the “**Companies Act**”). The Company’s constitutional documents consist of its Amended and Restated Memorandum of Association (the “**Memorandum**”) and its Amended and Restated Articles of Association (the “**Articles**”).

Unless otherwise defined in this Appendix III, terms defined in the Articles shall have the same meanings in this Appendix.

1. MEMORANDUM OF ASSOCIATION

- (a) The Memorandum states, *inter alia*, that the liability of Members is limited to the amount, if any, for the time being unpaid on the shares respectively held by them and that the objects for which the Company is established are unrestricted (including acting as an investment company), and that the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided in section 27(2) of the Companies Act and in view of the fact that the Company is an exempted company that the Company will not trade in the Cayman Islands with any person, firm or corporation except in furtherance of the business of the Company carried on outside the Cayman Islands.
- (b) The Company may by special resolution alter its Memorandum with respect to any objects, powers or other matters specified therein.

2. ARTICLES OF ASSOCIATION

The Articles were [conditionally] adopted on [date] with effect from the [REDACTED]. The following is a summary of certain provisions of the Articles:

(a) Shares

(i) *Classes of shares*

The share capital of the Company consists of ordinary shares.

(ii) *Variation of rights of existing shares or classes of shares*

Subject to the Companies Act, if at any time the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (including at an adjourned meeting or postponed meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class (excluding treasury shares). Every holder of shares of the class shall be entitled to one vote for every such share held by him.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

Any special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith. For the avoidance of doubt, shares in the Company do not constitute a separate class solely by virtue of being in Certificated form or Uncertificated form.

(iii) *Alteration of capital*

The Company may by ordinary resolution of its Members:

- (i) increase its share capital by the creation of new shares;
- (ii) consolidate all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and attach to such shares any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;
- (iv) subdivide its shares or any of them into shares of smaller amount than is fixed by the Memorandum; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may reduce its issued share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(iv) *Transfer of shares*

Subject to the provision of the Articles, a Member shall transfer shares through the Electronic System by submitting a specified request in accordance with applicable law, rules, regulations and procedures. The Company shall not be responsible for any delay or failure in the Electronic System unless caused by its own default. Where a written instrument of transfer for any reason is required or permitted by applicable law, rules, regulations or procedures, such instrument of transfer shall be in the usual or common form or in a form prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or in such other form as the Board may approve and may be signed by the transferor and the transferee or, if the transferor or transferee is a clearing house or its nominee(s), signed by a representative of the clearing house or its nominee(s) or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time. A reasonable fee (not exceeding any applicable limits prescribed under the ASR Code) may be charged by the Company’s approved securities registrar for registering any instrument of transfer, specified request or other document relating to or affecting the title to any share.

Notwithstanding the foregoing, for so long as any shares are listed on the Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the rules and regulations of the Stock Exchange (the “**GEM Listing Rules**”) that are or shall be applicable to such listed shares.

The Register in respect of its listed shares may be kept by recording the particulars required by Section 40 of the Companies Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the GEM Listing Rules that are or shall be applicable to such listed shares. The Register may be maintained in electronic form and may reflect holdings in both Certificated

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

and Uncertificated form provided that it must be readily retrievable and capable of being printed or exported. Where any share is issued in Uncertificated form, or is dematerialised, the share will be recorded in the Register as being in Uncertificated form and such record will not be amended or removed except in accordance with the USM Rules. The Company may integrate the Register with any Electronic System. The Register shall be maintained in accordance with the USM Rules and will have such evidential value and other effect as provided in the USM Rules. Changes to any entry in the Register relating to the holder of shares that are participating securities will be notified to the holder in accordance with the USM Rules and the ASR Code.

Where a written instrument of transfer is required or permitted by applicable law, such instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the Board may dispense with the execution of the instrument of transfer by the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of that share.

The Board may, in its absolute discretion, at any time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

The Board may decline to recognise any instrument of transfer unless a fee (not exceeding the maximum sum as the Stock Exchange, or where applicable, the ASR Code may determine to be payable) determined by the Directors is paid to the Company, the instrument of transfer is properly stamped (if applicable), it is in respect of only one class of share and where a written instrument of transfer is required or permitted by applicable law, the instrument of transfer is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The Board may refuse to register the transfer or transmission of a share if

- (a) the share is in Certificated form and a dematerialisation request in respect of that share and any other share covered by the same certificate as that share (i) is not received; or (ii) is not accompanied by the relevant dematerialisation fee;
- (b) the Company initiated the dematerialisation of the share, and the dematerialisation fee payable in respect of the dematerialisation remains unpaid;
- (c) the transferor, transferee or transmittee (as applicable) of the share is not a system-member of the UNSRT System operated by the Company’s approved securities registrar;
- (d) the share is in Certificated form and a specified request is sent;
- (e) the share is in Uncertificated form, and the specified request is not sent in accordance with the operating rules of the Company’s approved securities registrar or subject to the Articles, an instrument of transfer is lodged;
- (f) the Board is entitled to do so under the Articles; or
- (g) on any other ground provided under the USM Rules.

APPENDIX III SUMMARY OF THE CONSTITUTION OF THE COMPANY AND CAYMAN ISLANDS COMPANY LAW

The registration of transfers may be suspended and the Register closed on giving Notice by announcement or by electronic communication or by advertisement in any newspaper or by any other means in accordance with the requirements of the Stock Exchange, at such times and for such periods as the Board may determine. The Register must not be closed for periods exceeding in the whole thirty (30) days in any year. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution. For as long as the shares are participating securities, the closure of the Register shall be subject to the USM Rules.

Subject to the above, fully paid shares are free from any restriction on transfer and free of all liens in favour of the Company.

(v) *Uncertificated shares*

All shares of the Company that are participating securities shall be held in Uncertificated form unless the GEM Listing Rules and/or the rules and regulations of the competent regulatory authority permitted otherwise. The Company shall not issue share certificates in respect of any shares that are participating securities. Title to shares that are participating securities shall be evidenced by entry of the name of the holder in the Register and, where shares are held through the Electronic System, by a statement or confirmation from the relevant Electronic System. Such entry in the Register or statement or confirmation from the Electronic System shall be sufficient evidence of title to the shares to which it relates. The Register shall specify the number, class and distinguishing numbers (if any) of shares held by each Member and the amount paid up thereon.

Every person whose name is entered as a Member in the Register shall be entitled to hold their shares in Uncertificated form through the Electronic System, in compliance with the GEM Listing Rules and other relevant regulations. The Company shall not be required to issue a certificate for any share held in Uncertificated form unless required by law. The Company shall comply with all applicable laws and regulations to facilitate the holding, transfer, and registration of its shares in Uncertificated form, including electronic processes for corporate actions, as required by the uncertificated securities market regime.

Upon allotment of shares, the Company shall procure that the name of the allottee is entered in the Register and, where applicable, that such allotment is recorded in the Electronic System within any time limit prescribed by the Act, the ASR Code or the Stock Exchange, whichever is the shorter, if such a time limit is applicable, after allotment.

Upon every transfer of shares, the Register shall be updated to reflect the transferee as the holder of the shares transferred. Where a transfer is effected through the Electronic System, the Company shall procure that the Register is updated in accordance with the rules and procedures of the Electronic System. For participating securities, no share certificate shall be issued following a share transfer.

(vi) *Power of the Company to purchase its own shares*

The Company is empowered by the Companies Act and the Articles to purchase its own shares (including its redeemable shares) subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by the Stock Exchange. The Company is further authorised to hold any repurchased, redeemed or surrendered shares as treasury shares.

The Board may accept the surrender for no consideration of any fully paid share.

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(vii) Power of any subsidiary of the Company to own shares in the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

(viii) Calls on shares and forfeiture of shares

The Board may from time to time make such calls upon the Members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the Board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the Board may waive payment of such interest wholly or in part. The Board may, if it thinks fit, receive from any Member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the Board may decide.

If a Member fails to pay any call on the day appointed for payment thereof, the Board may serve not less than fourteen (14) clear days' Notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such Notice are not complied with, any share in respect of which the Notice has been given may at any time thereafter, before the payment required by the Notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the Board determines.

(b) Directors

(i) Appointment, retirement and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

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Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification. Further, there are no provisions in the Articles relating to retirement of Directors upon reaching any age limit.

The Directors have the power to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

A Director (including a managing or other executive Director) may be removed by an ordinary resolution of the Company before the expiration of his term of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and Members may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated if:

- (aa) he resigns by Notice delivered to the Company;
- (bb) he becomes of unsound mind or dies;
- (cc) without special leave, he is absent from meetings of the Board for six (6) consecutive months, and the Board resolves that his office is vacated;
- (dd) he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) he is prohibited from being a director by law; or
- (ff) he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The Board may appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the Board may determine and the Board may revoke or terminate any of such appointments. The Board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the Board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed must, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the Board.

(ii) *Power to allot and issue shares and warrants*

Subject to the provisions of the Companies Act and the Memorandum and Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued (a) with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Directors may determine, or (b) on terms that, at the option of the Company or the holder thereof, it is liable to be redeemed.

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The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may determine.

Any share issued on or after the day on which shares become participating securities will be in Uncertificated form. With effect from (and including) the day on which shares become participating securities, they may be dematerialised in accordance with the USM Rules. A reasonable dematerialisation fee (as determined by the Directors, and not exceeding any applicable limits prescribed under the ASR Code) may be charged by the Company or its approved securities registrar to the holder and/or transferee of a share in connection with the dematerialisation of the share. Such fee may be charged irrespective of whether the dematerialisation is initiated by the Company or requested by the holder or transferee.

Subject to the provisions of the Companies Act and the Articles and, where applicable, the GEM Listing Rules and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company are at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount to their nominal value.

Neither the Company nor the Board is obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of Members for any purpose whatsoever.

(iii) Power to dispose of the assets of the Company or any of its subsidiaries

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Act to be exercised or done by the Company in general meeting.

(iv) Borrowing powers

The Board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets and uncalled capital of the Company and, subject to the Companies Act, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(v) Remuneration

The ordinary remuneration of the Directors is to be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the Board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in proportion to the time during such period for which he held office. The Directors are also entitled to be prepaid or repaid all travelling,

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hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any Board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration as the Board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration and such other benefits and allowances as the Board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The Board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company’s monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or past Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The Board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the Board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

The Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members in general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members in general meeting.

(vi) *Compensation or payments for loss of office*

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

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(vii) Loans and provision of security for loans to Directors

The Company must not make any loan, directly or indirectly, to a Director or his close associate(s) if and to the extent it would be prohibited by the Companies Ordinance (Chapter 622 of the laws of Hong Kong) as if the Company were a company incorporated in Hong Kong.

(viii) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the Auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the Members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

No Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company must declare the nature of his interest at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or other proposal in which he or any of his close associates is materially interested, but this prohibition does not apply to any of the following matters, namely:

(aa) the giving of any security or indemnity either:

(aaa) to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries; or

(bbb) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

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- (bb) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (cc) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (aaa) the adoption, modification or operation of any employees’ share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
 - (bbb) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Directors, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (dd) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company.

(c) Proceedings of the Board

The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the Board shall have an additional or casting vote.

(d) Alterations to constitutional documents and the Company’s name

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(e) Meetings of Members

(i) *Special and ordinary resolutions*

A special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with the Articles.

Under the Companies Act, a copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such Members as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with the Articles.

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(ii) Voting rights and right to demand a poll

Subject to any special rights or restrictions as to voting for the time being attached to any shares, at any general meeting on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A Member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any general meeting of the Company or at any meeting of any class of members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual member and such corporation shall for the purposes of the Articles be deemed to be present in person at any such meeting if a person so authorised is present thereat.

If a recognised clearing house (or its nominee(s)) is a Member it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)) including, the right to speak and to vote, and where a show of hands is allowed, the right to vote individually on a show of hands.

All Members have the right to speak and vote at a general meeting except where a member is required, by the rules of the Stock Exchange, to abstain from voting to approve the matter under consideration.

Where the Company has any knowledge that any Member is, under the GEM Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

(iii) Annual general meetings and extraordinary general meetings

The Company must hold an annual general meeting of the Company for each financial year and such general meeting must be held within six (6) months after the end of the Company’s financial year unless a longer period would not infringe the GEM Listing Rules.

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Extraordinary general meetings may be convened on the requisition of one or more Members holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company (excluding treasury shares) having the right of voting at general meetings, on a one vote per share basis. Such requisition shall be made in writing to the Board or the secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition. Such meeting shall be held within 2 months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Notwithstanding any provisions in the Articles, any general meeting or any class meeting may be held by means of such telephone, electronic or other communication facilities as to permit all persons participating in the meeting to communicate with each other, and participation in such a meeting shall constitute presence at such meeting.

(iv) Notices of meetings and business to be conducted

An annual general meeting must be called by Notice of not less than twenty-one (21) clear days. All other general meetings must be called by Notice of at least fourteen (14) clear days. The Notice is exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to the Articles, the principal place of the meeting (the “**Principal Meeting Place**”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting.

In addition, Notice of every general meeting must be given to all Members of the Company other than to such Members as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such Notices from the Company, and also to, among others, the Auditors for the time being of the Company.

Any Notice or document (including any “corporate communication” and “actionable corporate communication” within the meaning ascribed thereto under the GEM Listing Rules) to be given or issued by the Company may be given or issued, among other means, by sending or transmitting it as an electronic communication, and subject to compliance with the GEM Listing Rules, any such notice or document may be given or issued by the following means:

- (aa) by serving it personally on the relevant person;
- (bb) by sending it through the post to such Member’s registered address;
- (cc) by delivering or leaving it at such member’s registered address;
- (dd) by placing an advertisement in newspapers or other publication and where applicable, in accordance with the requirements of the Stock Exchange;

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- (ee) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under the Articles, without the need for any additional consent or notification;
- (ff) by publishing it on the Company’s website or the website of the Stock Exchange without the need for any additional consent or notification; or
- (gg) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Cayman Islands law and other applicable laws, rules and regulations.

All business that is transacted at an extraordinary general meeting and at an annual general meeting is deemed special, save that in the case of an annual general meeting, each of the following business is deemed an ordinary business:

- (aaa) the declaration and sanctioning of dividends;
- (bbb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the Auditors;
- (ccc) the election of directors in place of those retiring;
- (ddd) the appointment of Auditors and other officers; and
- (eee) the fixing of the remuneration of the directors and of the Auditors.

(v) *Quorum for meetings and separate class meetings*

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

The quorum for a general meeting shall be two Members present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy or, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy, and entitled to vote. In respect of a separate class meeting (including at an adjourned meeting or postponed meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class (excluding treasury shares).

(vi) *Proxies*

Any Member entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member and is entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such Member could exercise. In addition, a proxy is entitled to exercise the same powers on behalf of a Member which is a corporation and for which he acts as proxy as such Member could exercise as if it were an individual Member. Votes may be given either personally (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy. The instrument appointing a proxy shall be in such form, including electronic or otherwise, as the Board may determine. The Company may, at

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its absolute discretion, or, where the applicable laws, rules or regulations mandatorily require the provision of an electronic address for the receipt of document or information, the Company shall, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting.

(f) Accounts and audit

The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Act or necessary to give a true and fair view of the Company’s affairs and to explain its transactions.

The accounting records must be kept at the registered office or at such other place or places as the Board decides and shall always be open to inspection by any Director. No Member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or the Company in general meeting. However, an exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or Notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report, shall not less than twenty-one (21) days before the date of the meeting be sent to every person entitled to receive Notices of general meetings of the Company under the provisions of the Articles; however, subject to compliance with all applicable laws, including the GEM Listing Rules, the Company may send to such persons summarised financial statements derived from the Company’s annual accounts and the directors’ report instead provided that any such person may by Notice served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete copy of the Company’s annual financial statements and the directors’ report thereon.

At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an Auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Moreover, the Members may, at any general meeting, by ordinary resolution remove the Auditor at any time before the expiration of his terms of office and shall by ordinary resolution at that meeting appoint another Auditor for the remainder of his term. The remuneration of the Auditors shall be fixed and approved by the Company by an ordinary resolution passed at a general meeting or in such manner as the Members may by ordinary resolution determine.

The financial statements of the Company shall be audited by the Auditor in accordance with generally accepted auditing standards which may be those of a country or jurisdiction other than the Cayman Islands. The Auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the Auditor must be submitted to the Members in general meeting.

(g) Dividends and other methods of distribution

The Company in general meeting may declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.

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The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Act.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any Member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the Board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the Members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that Members entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit.

The Company may also upon the recommendation of the Board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to Members to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders. For the avoidance of doubt, any dividend, interest, or other sum payable in cash may also be paid by electronic funds transfer on such terms and conditions as the Directors may determine.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the Board and shall revert to the Company.

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No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(h) Inspection of corporate records

Pursuant to the Articles, the Register shall be open to inspection for at least two (2) hours during business hours by Members and holders of prescribed securities without charge, or by any other person upon a maximum payment of HK\$2.50 or such other sum specified by the Board, at the registered office or such other place at which the register is kept in accordance with the Companies Act or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the Board, at the Registration Office, unless the register is closed in accordance with the Articles.

(i) Rights of minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to Members under Cayman Islands law, as summarised in paragraph 3(f) of this Appendix.

(j) Procedures on liquidation

Unless otherwise provided by the Companies Act, a resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares:

- (i) if the Company is wound up and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such Members in proportion to the amount paid up on the shares held by them respectively; and
- (ii) if the Company is wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company is wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Act divide among the Members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

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(k) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Act, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

(l) Payment of corporate action proceeds and electronic instructions

The Articles provide that to the extent permitted by applicable law and unless otherwise restricted or prohibited by the GEM Listing Rules, the Company shall:

- (i) accept instructions from Members and its securities holders (including but not limited to dividend election instructions, payment choice instructions, responses to “corporate communication” and “actionable corporate communications” within the meaning ascribed thereto under the GEM Listing Rules, and instructions regarding any meeting of the securities holders such as meeting attendance indications, proxy appointments, revocations, voting directions, and responses to corporate communications) transmitted by electronic means, in such manner and subject to reasonable authentication measures as the Board may from time to time determine;
- (ii) accept payment from Members and its securities holders by any electronic means, including through any payment system in Hong Kong operated by Hong Kong Interbank Clearing Limited for settling inter-bank payments on a real-time gross settlement basis, or by such other means as the Board considers appropriate, if the Company makes an offer to Members and its securities holders to subscribe for any new securities; and
- (iii) pay any corporate action proceeds (including proceeds paid by the Company to Members and its securities holders in connection with its corporate actions, such as the distribution of dividends and other entitlements, refunds in respect of applications for, and/or (where applicable) excess applications in connection with, rights issues, open offers, and offers made to a specified group of such holders on a preferential basis; and payments in connection with takeovers and privatisations) by any electronic means, including through any payment system in Hong Kong operated by Hong Kong Interbank Clearing Limited for settling inter-bank payments on a real-time gross settlement basis, or by such other means as the Board considers appropriate.

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3. CAYMAN ISLANDS COMPANY LAW

The Company is incorporated in the Cayman Islands subject to the Companies Act and, therefore, operates subject to Cayman Islands law. Set out below is a summary of certain provisions of Cayman company law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of Cayman company law and taxation, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar:

(a) Company operations

As an exempted company, the Company’s operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

(b) Share capital

The Companies Act provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the premiums on those shares shall be transferred to an account, to be called the “share premium account”. At the option of a company, these provisions may not apply to premiums on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium.

The Companies Act provides that the share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association in (a) paying distributions or dividends to members; (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares; (c) the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Act); (d) writing-off the preliminary expenses of the company; and (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Act provides that a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, reduce its share capital in any way by (i) special resolution and confirmation to the Grand Court of the Cayman Islands (the “Court”); or (ii) special resolution supported by a solvency statement in accordance with the Companies Act.

(c) Financial assistance to purchase shares of a company or its holding company

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company to another person for the purchase of, or subscription for, its own or its holding company’s shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and acting in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm’s-length basis.

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(d) Purchase of shares and warrants by a company and its subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder and the Companies Act expressly provides that it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company’s articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. However, if the articles of association do not authorise the manner and terms of purchase, a company cannot purchase any of its own shares unless the manner and terms of purchase have first been authorised by an ordinary resolution of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares purchased by a company is to be treated as cancelled unless, subject to the memorandum and articles of association of the company, the directors of the company resolve to hold such shares in the name of the company as treasury shares prior to the purchase. Where shares of a company are held as treasury shares, the company shall be entered in the Register as holding those shares, however, notwithstanding the foregoing, the company is not to be treated as a member for any purpose and must not exercise any right in respect of the treasury shares, and any purported exercise of such a right shall be void, and a treasury share must not be voted, directly or indirectly, at any meeting of the company and must not be counted in determining the total number of issued shares at any given time, whether for the purposes of the company’s articles of association or the Companies Act.

A company is not prohibited from purchasing and may purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. There is no requirement under Cayman Islands law that a company’s memorandum or articles of association contain a specific provision enabling such purchases and the directors of a company may rely upon the general power contained in its memorandum of association to buy and sell and deal in personal property of all kinds.

Under Cayman Islands law, a subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

(e) Dividends and distributions

The Companies Act permits, subject to a solvency test and the provisions, if any, of the company’s memorandum and articles of association, the payment of dividends and distributions out of the share premium account. With the exception of the foregoing, there are no statutory provisions relating to the payment of dividends. Based upon English case law, which is regarded as persuasive in the Cayman Islands, dividends may be paid only out of profits.

No dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company’s assets (including any distribution of assets to Members on a winding up) may be made to the company, in respect of a treasury share.

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(f) Protection of minorities and shareholders’ suits

The Courts ordinarily would be expected to follow English case law precedents which permit a minority shareholder to commence a representative action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority and the wrongdoers are themselves in control of the company, and (c) an irregularity in the passing of a resolution which requires a qualified (or special) majority.

In the case of a company (not being a bank) having a share capital divided into shares, the Court may, on the application of members holding not less than one fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Court shall direct.

Any shareholder of a company may petition the Court which may make a winding up order if the Court is of the opinion that it is just and equitable that the company should be wound up or, as an alternative to a winding up order, (a) an order regulating the conduct of the company’s affairs in the future, (b) an order requiring the company to refrain from doing or continuing an act complained of by the shareholder petitioner or to do an act which the shareholder petitioner has complained it has omitted to do, (c) an order authorising civil proceedings to be brought in the name and on behalf of the company by the shareholder petitioner on such terms as the Court may direct, or (d) an order providing for the purchase of the shares of any shareholders of the company by other shareholders or by the company itself and, in the case of a purchase by the company itself, a reduction of the company’s capital accordingly.

Generally claims against a company by its shareholders must be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company’s memorandum and articles of association.

(g) Disposal of assets

The Companies Act contains no specific restrictions on the power of directors to dispose of assets of a company. However, as a matter of general law, every officer of a company, which includes a director, managing director and secretary, in exercising his powers and discharging his duties must do so honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(h) Accounting and auditing requirements

A company must cause proper books of account to be kept with respect to (i) all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place; (ii) all sales and purchases of goods by the company; and (iii) the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company’s affairs and to explain its transactions.

An exempted company must make available at its registered office in electronic form or any other medium, copies of its books of account or parts thereof as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

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(i) Exchange control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

(j) Taxation

Pursuant to the Tax Concessions Act of the Cayman Islands, the Company has obtained an undertaking:

- (1) that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciation shall apply to the Company or its operations; and
- (2) that the aforesaid tax or any tax in the nature of estate duty or inheritance tax shall not be payable on or in respect of the shares, debentures or other obligations of the Company.

The undertaking for the Company is for a period of twenty years from 14 August 2026.

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments executed in or brought within the jurisdiction of the Cayman Islands. The Cayman Islands are a party to a double tax treaty entered into with the United Kingdom in 2010 but otherwise is not party to any double tax treaties.

(k) Stamp duty on transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(l) Loans to directors

There is no express provision in the Companies Act prohibiting the making of loans by a company to any of its directors.

(m) Inspection of corporate records

The notice of registered office is a matter of public record. A list of the names of the current directors and alternate directors (if applicable) is made available by the Registrar of Companies for inspection by any person on payment of a fee. The register of mortgages is open to inspection by creditors and members.

Members of the Company have no general right under the Companies Act to inspect or obtain copies of the register of members or corporate records of the Company. They will, however, have such rights as may be set out in the Company's Articles.

(n) Register of members

An exempted company may maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as the directors may, from time to time, think fit. The register of members shall contain such particulars as required by Section 40 of the Companies Act. A branch register must be kept in the same manner in which a principal register is by

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the Companies Act required or permitted to be kept. The company shall cause to be kept at the place where the company’s principal register is kept a duplicate of any branch register duly entered up from time to time.

There is no requirement under the Companies Act for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of members, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act of the Cayman Islands.

(o) Register of Directors and Officers

The Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(p) Beneficial Ownership Register

An exempted company is required to identify its beneficial owners and provide details of these beneficial owners to its corporate service provider (“CSP”) which maintains its beneficial ownership register in the Cayman Islands. A beneficial owner is defined as an individual who (a) ultimately owns or controls, whether through director or indirect ownership or control 25% or more of the shares, voting rights, or partnership interests in the company, (b) otherwise exercises ultimate effective control over the management of the company, or (c) is identified as exercising control of the company through other means. The beneficial ownership register may be accessed by members of the public who demonstrate a legitimate interest, subject to approval by the competent authority. An exempted company with its shares listed on an approved stock exchange, which includes the Stock Exchange, may provide CSP with details of the listed status as an alternative compliance route instead of providing details of its beneficial owners. Accordingly, as long as the shares of the Company remain listed on the Stock Exchange, the Company may opt for this alternative compliance route rather than maintain a beneficial ownership register.

(q) Winding up

A company may be wound up (a) compulsorily by order of the Court, (b) voluntarily, or (c) under the supervision of the Court.

The Court has authority to order winding up in a number of specified circumstances including where the members of the company have passed a special resolution requiring the company to be wound up by the Court, or where the company is unable to pay its debts, or where it is, in the opinion of the Court, just and equitable to do so. Where a petition is presented by members of the company as contributories on the ground that it is just and equitable that the company should be wound up, the Court has the jurisdiction to make certain other orders as an alternative to a winding-up order, such as making an order regulating the conduct of the company’s affairs in the future, making an order authorising civil proceedings to be brought in the name and on behalf of the company by the petitioner on such terms as the Court may direct, or making an order providing for the purchase of the shares of any of the members of the company by other members or by the company itself.

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A company (save with respect to a limited duration company) may be wound up voluntarily when the company so resolves by special resolution or when the company in general meeting resolves by ordinary resolution that it be wound up voluntarily because it is unable to pay its debts. In the case of a voluntary winding up, such company is obliged to cease to carry on its business (except so far as it may be beneficial for its winding up) from the time of passing the resolution for voluntary winding up or upon the expiry of the period or the occurrence of the event referred to above.

For the purpose of conducting the proceedings in winding up a company and assisting the Court therein, there may be appointed an official liquidator or official liquidators; and the court may appoint to such office such person, either provisionally or otherwise, as it thinks fit, and if more persons than one are appointed to such office, the Court must declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The Court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the Court.

As soon as the affairs of the company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and how the property of the company has been disposed of, and thereupon call a general meeting of the company for the purposes of laying before it the account and giving an explanation thereof. This final general meeting must be called by at least 21 days’ notice to each contributory in any manner authorised by the company’s articles of association and published in the Gazette.

(r) Reconstructions

There are statutory provisions which facilitate reconstructions and amalgamations approved by (i) a majority in number representing seventy-five per cent. (75%) in value of creditors, or (ii) seventy-five per cent. (75%) in value of shareholders or class of shareholders, as the case may be, as are present at a meeting called for such purpose and thereafter sanctioned by the Court. Whilst a dissenting shareholder would have the right to express to the Court his view that the transaction for which approval is sought would not provide the shareholders with a fair value for their shares, the Court is unlikely to disapprove the transaction on that ground alone in the absence of evidence of fraud or bad faith on behalf of management.

The Companies Act also contains statutory provisions which provide that a company may present a petition to the Court for the appointment of a restructuring officer on the grounds that the company (a) is or is likely to become unable to pay its debts within the meaning of section 93 of the Companies Act; and (b) intends to present a compromise or arrangement to its creditors (or classes thereof) either, pursuant to the Companies Act, the law of a foreign country or by way of a consensual restructuring. The petition may be presented by a company acting by its directors, without a resolution of its shareholders or an express power in its articles of association. On hearing such a petition, the Court may, among other things, make an order appointing a restructuring officer or make any other order as the Court thinks fit.

(s) Take-overs

Where an offer is made by a company for the shares of another company and, upon the holders of not less than ninety per cent. (90%) of the shares which are the subject of the offer accepting the offer, the offeror may at any time within two (2) months after such acceptance, by notice in the prescribed manner require the dissenting shareholders to transfer their shares on the terms of the offer. A dissenting shareholder may apply to the Court within one (1) month of the notice objecting to the transfer. The

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burden is on the dissenting shareholder to show that the Court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority shareholders or non-compliance with the statutory requirements.

(t) Indemnification

Cayman Islands law does not limit the extent to which a company’s articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Court to be contrary to public policy (e.g. for purporting to provide indemnification against the consequences of committing a crime).

(u) Economic Substance Requirements

Pursuant to the International Tax Cooperation (Economic Substance) Act of the Cayman Islands (“ES Act”) that came into force on 1 January 2019, a “relevant entity” is required to satisfy the economic substance test set out in the ES Act. A “relevant entity” includes an exempted company incorporated in the Cayman Islands as is the Company; however, it does not include an entity that is tax resident outside the Cayman Islands. Accordingly, for so long as the Company is a tax resident outside the Cayman Islands, including in Hong Kong, it is not required to satisfy the economic substance test set out in the ES Act.

4. GENERAL

Conyers Dill & Pearman, the Company’s special legal counsel on Cayman Islands law, have sent to the Company a letter of advice summarising certain aspects of Cayman Islands company law. This letter, together with a copy of the Companies Act, is available for inspection as referred to in the paragraph headed “Documents on display” in Appendix V to this document. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 12 August 2026. Our Company [has been] registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 20 August 2026 and our principal place of business in Hong Kong is at Flat A, 4th Floor, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong. Mr. Ng Kam Shing has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, our Company is subject to the relevant laws of the Cayman Islands and our constitution which comprises the Memorandum of Association and the Articles of Association. A summary of the relevant aspects of the Companies Act and certain provisions of the Articles of Association is set out in Appendix III to this document.

2. Changes in share capital of our Company

- (a) As at the date of incorporation of our Company, the authorised share capital was HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On 12 August 2026, one Share was issued and allotted to the initial subscriber, which was then transferred to Evergreen Bamboo for the consideration of HK\$0.01, followed by the allotment and issue of 50, 28 and 21 Shares to Evergreen Bamboo, Smart Production and Bright Prosper, respectively for cash at par.
- (b) On [date], the authorised share capital of our Company was increased from HK\$380,000 to HK\$[REDACTED] by the creation of an additional [REDACTED] Shares, each ranking *pari passu* with the existing Shares then in issue in all respects so that the authorised share capital became HK\$[REDACTED] divided into [REDACTED] Shares of HK\$[REDACTED] par value each.
- (c) Immediately following completion of the [REDACTED] and the [REDACTED], [REDACTED] Shares will be issued fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.
- (d) Other than pursuant to the general mandate to issue Shares referred to in the paragraph “A. Further information about our Company — 3. Written resolutions of our Shareholders passed on [date]” in this appendix, our Company does not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.
- (e) Save as disclosed in the section headed “Share capital” in this document and in the paragraph headed “2. Changes in share capital of our Company”, there has been no alteration in our Company’s share capital since its incorporation.

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3. Written resolutions of our Shareholders passed on [date]

By written resolutions of our Shareholders passed on [date]:

- (a) our Company approved and adopted the Articles of Association conditionally with effect from the [REDACTED], the terms of the Articles of Association are summarised in Appendix III to this document;
- (b) the authorised share capital of our Company shall be increased from HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 par value each to HK\$[REDACTED] divided into [REDACTED] ordinary shares of par value HK\$[REDACTED] each by the creation of an additional [REDACTED] ordinary shares of par value HK\$[REDACTED] each, and each ranking *pari passu* with the existing Shares in all respects;
- (c) conditional on the Stock Exchange granting the [REDACTED] of, and permission to deal in, our Shares in issue and Shares to be issued as mentioned in this document and on the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before the date falling 30 days after the date of this document:
 - (i) the [REDACTED] was approved and our Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED] to rank *pari passu* with the Shares then in issue in all respects; and
 - (ii) conditional further on the share premium account of our Company being credited as a result of the [REDACTED], the [REDACTED] was approved, and our Directors were authorised to capitalise an amount of HK\$[REDACTED] standing to the credit of the share premium account of our Company by applying such amount to pay up in full at par [REDACTED] Shares for allotment and issue to our Shareholders whose names appeared on the register of members of our Company as of the close of business on [date] (or as they may direct) in proportion as nearly as may be possible without involving fractions to their then existing shareholdings in our Company, each ranking *pari passu* in all respects with the then existing issued Shares, and our Directors were authorised to give effect to such capitalisation and distributions;
- (d) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights or an issue of Shares pursuant to the exercise of any options which may be granted under any share option scheme of our Company or any Shares allotted in lieu of the whole or part of a dividend on our Shares or similar arrangement in accordance with the Memorandum of Association and the Articles of Association or pursuant to a specific authority granted by our Shareholders in general meetings or pursuant to the [REDACTED], Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares, and to make or grant offers, agreements or options which might require the exercise of such power, with an

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aggregate nominal value not exceeding 20% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED], and such mandate to remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or the Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting;
- (e) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares will represent up to 10% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED], and such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or the Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting; and
- (f) the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition to the number of Shares which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate number of Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (e) above, provided that such extended amount shall not exceed 10% of the number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED].

4. Corporate reorganisation

Our Group underwent the Reorganisation to rationalise our Group’s structure in preparation for the [REDACTED] and our Company became the holding company of our Group. For information relating to the Reorganisation, please refer to the section headed “History, Reorganisation and Corporate Structure — Corporate Reorganisation” in this document.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountant’s Report, the text of which is set out in Appendix I to this document.

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Save as disclosed above, and as mentioned in the paragraph headed “A. Further information about our Company — 4. Corporate Reorganisation” in this appendix above and in the section headed “History, Reorganisation and Corporate Structure — Corporate Reorganisation” in this document, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

6. Repurchase of our Shares by our Company

This section includes information required by the Stock Exchange to be included in the document concerning the repurchase of our Shares by our Company.

(a) *Provisions of the GEM Listing Rules*

The GEM Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) *Shareholders’ approval*

The GEM Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our Shareholders passed on [date], a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors authorising our Directors to exercise all powers of our Company to purchase on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares will represent up to 10% of the number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED], and the Repurchase Mandate shall remain in effect until the earliest of the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or the Companies Act or any other applicable laws of the Cayman Islands to be held, or the time when the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any repurchases by our Company may be made out of profits, out of our Company’s share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company’s share premium account before or at the time our Shares are repurchased or, if authorised by the Articles of Association and subject to the Companies Act, out of capital.

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(iii) *Connected parties*

The GEM Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a “core connected person”, which includes a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) *Reasons for repurchases*

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have a general authority from our Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of our Company’s net asset value and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) *Exercise of the Repurchase Mandate*

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue after completion of the [REDACTED] and the [REDACTED], could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(d) *Funding of repurchase*

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands. Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) *General*

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their close associates, has any present intention if the Repurchase Mandate is exercised to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of the Cayman Islands.

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder’s proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of our Shareholders’ interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of

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the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below [REDACTED]% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

No core connected person of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material in relation to the business of our Company as a whole:

- (a) the sale and purchase agreement dated 20 August 2026 entered into, among others, between Colour Tone as vendor and AHM Group as purchaser, pursuant to which AHM Group acquired the entire issued share capital of AHM at the consideration of HK\$1;
- (b) the Deed of Non-competition;
- (c) the Deed of Indemnity; and
- (d) the [REDACTED].

2. Intellectual property rights

Set out below is a summary of our material intellectual property rights. Our material intellectual property rights were determined by our Directors on the basis of their materiality to our business operation, financial position and prospects.

Trademarks

As at the Latest Practicable Date, a member of our Group has registered the following trademark(s):

Trademark	Place of Registration	Class	Registration Number	Duration of Validity	Registered Owner
 <small>AHM ENGINEERING CO., LTD. 奥明亚洲工程有限公司</small>	Hong Kong	41	304124439	28 April 2017 to 27 April 2027	AHM
	Hong Kong	41	304124420	28 April 2017 to 27 April 2027	AHM

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As at the Latest Practicable Date, we have applied for the registration of the following trademarks which are considered to be material to our business:

<u>Trademark</u>	<u>Place of application</u>	<u>Class</u>	<u>Application no.</u>	<u>Date of application</u>
	Hong Kong	41	307379353	18 August 2026
	Hong Kong	41	307379362	18 August 2026

Domain name

As at the Latest Practicable Date, a member of our Group has registered the following domain name:

<u>Domain name</u>	<u>Date of registration</u>	<u>Date of expiry</u>
www.ahmhk.com	14 February 2020	14 February 2027

C. FURTHER INFORMATION ABOUT DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXPERTS

1. Directors

(a) *Disclosure of interest of Directors*

Each of Mr. Ng and Mr. Chan is interested in the Reorganisation.

(b) *Particulars of Directors’ service agreements*

Executive Directors

Each of our executive Directors has entered into a service agreement with our Company. The terms and conditions of each service agreement are similar in all material aspects other than the amount of salary and bonus. Each service agreement is for an initial term of three (3) years with effect from the [REDACTED], which may be terminated by either party giving at least three (3) months’ notice in writing to the other party and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association. Under the service agreements, the initial annual remuneration payable to our executive Directors is as follows:

<u>Name</u>	<u>Annual remuneration</u> (HK\$)
Mr. Ng	678,000
Mr. Chan	1,356,000

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Each of our executive Directors is entitled to a discretionary bonus to be recommended by the Remuneration Committee of our Company and determined by the Board, the amount of which is to be determined with reference to the operating results of our Group and the performance of the relevant executive Director. Each of our executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board regarding the amount of annual salary and discretionary bonus payable to himself.

Non-executive Directors and independent non-executive Directors

Each of our non-executive Directors and independent non-executive Directors has entered into a letter of appointment with our Company. The terms and conditions of each letter of appointment are similar in all material aspects. Each letter of appointment is for an initial term of three (3) years commencing from the [REDACTED], which may be terminated by either party giving at least three (3) months’ notice in writing to the other party and is subject to termination provisions therein and provisions on retirement by rotation of Directors as set out in the Articles of Association. The annual director’s fee payable to the non-executive Directors and independent non-executive Directors under each letter of appointment is as follows:

<u>Name</u>	<u>Annual director’s fee (HK\$)</u>
Mr. Wong Pui Tak	240,000
Ms. Chan Ching Man	120,000
Mr. Ma Ving Lung	120,000
Mr. Choy Wong Hoi Peter	120,000
Mr. Coe Harvey	120,000

Save for the annual director’s fee mentioned above, none of the non-executive Directors and independent non-executive Directors is entitled to receive any other remuneration for holding his office as a non-executive Director or an independent non-executive Director (as the case may be).

(c) *Directors’ remuneration*

The aggregate amount of remuneration paid by our Group to our Directors, including salaries, allowances and contributions to retirement benefit scheme in respect of each of the two years ended 31 December 2025 and the five months ended 31 May 2026 were approximately HK\$1.4 million, HK\$1.4 million and HK\$0.6 million respectively.

Under the arrangements currently in force, the aggregate remuneration including benefits in kind (excluding any discretionary bonuses) payable by our Group to our Directors for the year ending 31 December 2026 will be approximately HK\$1.5 million.

None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the two years ended 31 December 2025 and the five months ended 31 May 2026 as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group.

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There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 December 2025 and the five months ended 31 May 2026.

(d) *Interests or short positions of our Directors or chief executive in the shares, underlying shares or debentures of our Company and our associated corporations following the [REDACTED] and the [REDACTED]*

Immediately following completion of the [REDACTED] and the [REDACTED], the interests or short positions of our Directors or chief executive in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the GEM Listing Rules required to be notified to our Company and the Stock Exchange, will be as follows:

Long position in Shares

<u>Name of Director</u>	<u>Capacity</u>	<u>Number of Shares⁽¹⁾</u>	<u>Approximate percentage of shareholding</u>
Mr. Ng	Interest in a controlled corporation	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Mr. Chan	Interest in a controlled corporation	[REDACTED] (L) ⁽³⁾	[REDACTED]%

Notes:

1. The letter “L” denotes long position in our Shares.
2. These represent Shares to be held by Evergreen Bamboo, which is wholly-owned by DeMain Culture Group, which is in turn wholly-owned by Giant Panda Group Investment, which is in turn wholly-owned by Giant Panda Group. Giant Panda Group is directly wholly-owned by Mr. Ng.
3. These represent Shares to be held by Smart Production, which is wholly-owned by Mr. Chan.

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2. Substantial Shareholders

So far as is known to our Directors, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the [REDACTED] and the [REDACTED], have interests or short positions in our Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group:

<u>Name of Substantial Shareholders</u>	<u>Capacity</u>	<u>Number of Shares⁽¹⁾</u>	<u>Approximate percentage of shareholding</u>
Evergreen Bamboo Mr. Ng	Beneficial owner Interest in a controlled corporation	[REDACTED] (L) [REDACTED] (L) ⁽²⁾	[REDACTED]% [REDACTED]%
DeMain Culture Group	Interested in a controlled corporation	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Giant Panda Group Investment	Interested in a controlled corporation	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Giant Panda Group	Interested in a controlled corporation	[REDACTED] (L) ⁽²⁾	[REDACTED]%
Smart Production Mr. Chan	Beneficial owner Interest in a controlled corporation	[REDACTED] (L) [REDACTED] (L) ⁽³⁾	[REDACTED]% [REDACTED]%
Bright Prosper Mr. Choi	Beneficial owner Interest in a controlled corporation	[REDACTED] (L) [REDACTED] (L) ⁽⁴⁾	[REDACTED]% [REDACTED]%

Notes:

- The letter “L” denotes long position in our Shares.
- These represent Shares to be held by Evergreen Bamboo, which is wholly-owned by DeMain Culture Group, which is in turn wholly-owned by Giant Panda Group Investment, which is in turn wholly-owned by Giant Panda Group. Giant Panda Group is directly wholly-owned by Mr. Ng.
- These Shares will be held by Smart Production, a company wholly-owned by Mr. Chan.
- These Shares will be held by Bright Prosper, a company wholly-owned by Mr. Choi.

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3. Agency fees or commission received

Save as disclosed in the section headed “[REDACTED]” in this document and this appendix, none of our Directors or the experts named in the paragraph headed “D. Other Information — 6. Qualifications of experts” in this appendix had received any agency fee or commission from our Group within the two years preceding the date of this document.

4. Related party transactions

Details of the related party transactions are set out under note 25 to the Accountant’s Report set out in Appendix I to this document.

5. Disclaimers

Save as disclosed in this document:

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (b) none of our Directors or the experts named in the paragraph headed “D. Other Information — 6. Qualifications of experts” in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors or the experts named in the paragraph headed “D. Other Information — 6. Qualifications of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (d) taking no account of Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED] and the [REDACTED], have any interest in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (e) none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of the associated corporations (within the meaning of the SFO) which, once our Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the GEM Listing Rules, to be notified to our Company and the Stock Exchange; and

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- (f) so far as is known to our Directors, none of our Directors, their respective associates (as defined under the GEM Listing Rules) or Shareholders who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group for each of the years/period during the Track Record Period.

D. OTHER INFORMATION

1. Tax and other indemnities

Each of our Controlling Shareholders and Substantial Shareholders (collectively, the “Indemnifiers”) has, under a deed of indemnity referred to in item (c) of the paragraph headed “B. Further information about the business of our Company — 1. Summary of material contracts” in this appendix, given joint and several indemnities to our Company for ourselves and as trustee for our Subsidiaries in connection with, among other things, (a) any liability for Hong Kong estate duty which might be payable by any member of our Group under or by virtue of the provisions of Section 35 and/or Section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or any other similar legislation in any relevant jurisdiction outside Hong Kong arising on the death of any person at any time and by reason of the transfer of any property to any member of our Group on or before the date on which the [REDACTED] becomes unconditional; (b) any taxation which might be payable by any member of our Group (i) in respect of or by reference to any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which [REDACTED] becomes unconditional; or (ii) in respect of or by reference to any acts, omissions, transactions, matters, things or events occurring or deemed to enter into or occur on or before the date on which the [REDACTED] becomes unconditional; (c) any depletion in or reduction in value of assets, increase in liabilities, losses (including without limitation, confiscation of income and/or assets, suspension of operation), penalties, claims, actions, demands, proceedings, suits, judgments, losses, payments, liabilities, damages, settlement payments, costs, administrative or other charges, fees, expenses and fines of whatever nature which may be imposed on or suffered or incurred by any member of our Group as a result of directly or indirectly or in connection with (i) any litigation, arbitrations, claims (including counter-claims), complaints, demands, investigations, enquiries, enforcement proceeding or process and/or legal proceedings whether of criminal, administrative, contractual, tortious or otherwise, instituted by or against any member of our Group in relation to any act, non-performance, omission, events or otherwise occurred on or before the date on which the [REDACTED] becomes unconditional; and (ii) any non-compliance with the applicable laws, rules or regulations by any member of our Group (including but not limited to the non-compliances disclosed in the section headed “Business — Compliance and legal proceedings — Non-compliance” in this document) on or before the date on which the [REDACTED] becomes unconditional. The Indemnifiers will, however, not be liable under the deed of indemnity for taxation to the extent that, among others:

- (a) specific provision, reserve or allowance has been made for such taxation liability or taxation claim in the audited consolidated financial statements of any member of our Group for the Track Record Period; or
- (b) the taxation liability arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the date on which the [REDACTED] becomes unconditional; or

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- (c) the taxation liability arises in the ordinary course of business of our Group after 31 May 2026 up to and including the date of which the [REDACTED] becomes unconditional.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands is likely to fall on our Group.

2. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein.

Red Sun Capital Limited has confirmed to the Stock Exchange that it satisfies the independence test as stipulated under Rule 6A.07 of the GEM Listing Rules.

As of the Latest Practicable Date, Mr. Choi, one of our Substantial Shareholders, is also the executive director and chief executive officer of Sunwah Kingsway Capital Holdings Limited, the parent company of Kingsway Capital Limited. Kingsway Capital Limited is therefore not considered as an independent sponsor according to the independence criteria applicable to sponsors set out in Rule 6A.07 of the GEM Listing Rules.

Our Company has entered into individual engagement agreements with each of the Joint Sponsors, pursuant to which our Company agreed to pay HK\$3.8 million in aggregate for acting as the sponsors to our Company for purposes of the [REDACTED].

4. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$35,412 and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules.

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6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
Kingsway Capital Limited	Licensed corporation permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Red Sun Capital Limited	Licensed corporation permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered PIE Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Mr. Leonard H.T. Chow	Barrister-at-law
STA-Lawyers	Macao legal advisers
Frost & Sullivan Limited	Independent industry consultant

7. CONSENTS OF EXPERTS

Each of Kingsway Capital Limited, Red Sun Capital Limited, PricewaterhouseCoopers, Conyers Dill & Pearman, Mr. Leonard H.T. Chow, STA-Lawyers and Frost & Sullivan Limited has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or summary thereof (as the case may be) and/or reference to its name included herein in the form and context in which it is respectively included.

8. BINDING EFFECT

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

9. TAXATION OF HOLDERS OF SHARES

(a) Hong Kong

Dealings in Shares registered on our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty.

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(b) Cayman Islands

No stamp duty is payable in the Cayman Islands on transfer of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Intending holders of our Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares. It is emphasised that none of our Company, our Directors or other parties involved in the [REDACTED] accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

10. NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, save for the estimated non-recurring [REDACTED], there has not been any material adverse change in the financial or trading position or prospects of our Group since 31 May 2026 (being the date to which the latest audited consolidated financial statements of our Group were made up).

11. MISCELLANEOUS

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries and no commission has been paid or is payable in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
 - (iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares or debenture of any of our Company or our subsidiaries; and
 - (iv) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (b) Neither our Company nor any of our subsidiaries has issued or agreed to issue any founder shares, management shares, deferred shares or any debentures.
- (c) Save as disclosed in the section headed “[REDACTED]” in this document, none of the parties listed in the paragraph headed “D. Other Information — 6. Qualifications of experts” in this appendix is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (d) The branch register of members of our Company will be maintained in Hong Kong by our [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our [REDACTED] and may not be lodged in the Cayman Islands. All necessary arrangements have been made to ensure our Shares to be admitted into [REDACTED] for clearing and settlement.
- (e) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 24 months immediately preceding the date of this document.
- (f) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (g) We have no outstanding convertible debt securities.
- (h) The English text of this document shall prevail over the Chinese text.

12. BILINGUAL [REDACTED]

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

APPENDIX V

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE FOR INSPECTION

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document delivered to the Registrar of Companies in Hong Kong for registration were, amongst other documents, the written consents referred to in the section headed “Statutory and general information — D. Other information — 7. Consents of experts” in Appendix IV to this document and copies of the material contracts referred to in the section headed “Statutory and general information — B. Further information about the business of our Company — 1. Summary of material contracts” in Appendix IV to this document.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.ahm.hk) up to and including the date which is 14 days from the date of this document:

- (a) the Memorandum of Association and the Articles of Association;
- (b) the Accountant’s Report from PricewaterhouseCoopers in respect of the historical financial information of our Group for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026, the text of which is set out in Appendix I to this document;
- (c) the audited combined financial statements of our Group for the years ended 31 December 2024 and 2025 and the five months ended 31 May 2026;
- (d) the report on [REDACTED] financial information of our Group from PricewaterhouseCoopers, the text of which is set out in Appendix II to this document;
- (e) the Cayman Companies Act;
- (f) the letter of advice prepared by Conyers Dill & Pearman, summarising certain aspects of Cayman Islands company law referred to in Appendix III to this document;
- (g) the legal opinion as to certain aspects of Hong Kong law prepared by Mr. Leonard H.T. Chow;
- (h) the legal opinion as to certain aspects of Macao law prepared by STA-Lawyers;
- (i) the material contracts referred to in the paragraph headed “Statutory and general information — B. Further information about the business of our Company — 1. Summary of material contracts” in Appendix IV to this document;
- (j) the written consents referred to in the paragraph headed “Statutory and general information — D. Other information — 7. Consents of experts” in Appendix IV to this document;
- (k) the service agreements referred to in the paragraph headed “Statutory and general information — C. Further information about Directors, substantial Shareholders and experts — 1. Directors — (b) Particulars of Directors’ service agreements” in Appendix IV to this document;
- (l) the industry report prepared by Frost & Sullivan Limited; and
- (m) the internal control expert report prepared by Wall Corporate Advisory Limited.