

Winning Tower Group Holdings Limited 運興泰集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8362

2025 ANNUAL REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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 the 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Winning Tower Group Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading and all opinions expressed in the report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This report will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting. This report will also be published on the website of the Company at www.wtgl.hk.

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CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Lai King Wah (*Chairman of the Board*)
Mr. Lai Ho Yin Eldon (*Chief Executive Officer*)
Mr. Ho Timothy Kin Wah

NON-EXECUTIVE DIRECTORS

Mr. Zhong Yuhua
Ms. Ou Honglian
Mr. Yu Ting Hei

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chau Chun Wai
Mr. Lo Sun Tong
Mr. Lam Lai Kiu Kelvin

AUDIT COMMITTEE

Mr. Lo Sun Tong (*Chairperson*)
Mr. Chau Chun Wai
Mr. Lam Lai Kiu Kelvin

NOMINATION COMMITTEE

Mr. Lai King Wah (*Chairperson*)
Mr. Chau Chun Wai
Ms. Ou Honglian
Mr. Lam Lai Kiu Kelvin
Mr. Lo Sun Tong

REMUNERATION COMMITTEE

Mr. Chau Chun Wai (*Chairperson*)
Mr. Lo Sun Tong
Mr. Lai King Wah

COMPLIANCE OFFICER

Mr. Ho Timothy Kin Wah

COMPANY SECRETARY

Mr. Tsang Hing Bun

AUTHORIZED REPRESENTATIVES

Mr. Lai Ho Yin Eldon
Mr. Tsang Hing Bun

AUDITOR

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 803, 8/F
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New Territories Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
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Grand Cayman KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKER

Shanghai Commercial Bank Limited

COMPANY'S WEBSITE

www.wtgl.hk

STOCK CODE

8362

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of directors and the management, I hereby present you with the chairman's statement and the annual results of Winning Tower Group Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025.

While catering and retails business in Hong Kong have been experiencing very difficult time, we not only managed to keep up our business but also enjoyed a positive growth in 2025. As airline catering is still our major revenue source, our business demonstrated an increase as more tourists come to visit Hong Kong by air and Hong Kong citizens remain keen on traveling abroad. Moreover, during the year, we have become a frozen food supplier of several chain catering companies which contributed additional revenue and outperformed last year. We therefore expect that our business is fostered and stronger that can be in a much better position to resist any possible economic shock in 2026.

We will continue to run the business to the best of our ability and review our strategy from time to time, adapting to the latest business environment. Meanwhile, we will also assess any potential acquisition targets that we believe could grow our business and make it stronger and healthier.

Last but not least, I truly appreciate your unfailing support to the Company. As in the past, we will do our very best to strive for better business performance and results.

Lai King Wah

Chairman

19 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Winning Tower Group Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is principally engaged in processing and trading of raw, frozen and cooked food products (which includes provision of transportation services) and the operation of a restaurant in Hong Kong.

On 30 June 2017 (the “**Listing Date**”), the Company was successfully listed on the GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). 350,000,000 shares (or 25% of the total issued shares) were allotted and sold to the public at HK\$0.2 per share and a total of approximately HK\$39.9 million was successfully raised.

On 24 May 2019, Winning Tower Group Limited (“**Winning Tower Group**”), an indirect wholly-owned subsidiary of the Company, entered into a joint venture agreement with Wing Si Worldwide Holdings Limited (“**Wing Si**”) pursuant to which Winning Tower Group is interested as to 55% and Wing Si is interested as to 45% of the joint venture Winning Wings Limited (“**Winning Wings**”), which is the vehicle for their participation in catering and food business in Hong Kong. For details, please refer to the announcement of the Company dated 24 May 2019.

On 2 June 2021 (after trading hours), a joint venture agreement (the “**Joint Venture Agreement**”) was entered into between Winning Tower Group, Skyye Limited (“**Skyye**”) and Dynasty Time Limited (the “**Joint Venture**”), pursuant to which, among others: (i) the Joint Venture shall act as a corporate vehicle for the joint participation of Winning Tower Group and Skyye in the catering and food business in Hong Kong. The Joint Venture was incorporated in Hong Kong with limited liability on 1 April 2021 and is currently owned as to 60% by Winning Tower Group and as to 40% by Skyye, respectively; and (ii) Winning Tower Group and Skyye conditionally agreed to provide an initial funding to the Joint Venture by way of loan at HK\$3,000,000 for the purpose of setting up the first Joint Venture’s restaurant in Hong Kong, while the respective amount contributed by each of Winning Tower Group and Skyye shall be in proportion to their respective shareholdings in the Joint Venture at HK\$1,800,000 and HK\$1,200,000, respectively. On 10 May 2021, the Joint Venture entered into a tenancy agreement (the “**Tenancy Agreement**”) as tenant in respect of the lease of a premises for a term of three years commencing on 15 May 2021 and expiring on 14 May 2024 (both days inclusive) for the operation of the first Joint Venture’s restaurant in Hong Kong under the Joint Venture Agreement.

Pursuant to the Joint Venture Agreement, the Group will be the main supplier of all food and beverage ingredients for all the restaurant(s) of the Joint Venture. Being the main supplier to the Joint Venture, our Directors consider that the future sales and revenue of the Group will be strengthened. The Directors are of the view that the entering into of the Tenancy Agreement and the terms and conditions thereof are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

More details regarding the transactions mentioned above can be found in the announcement of the Company dated 2 June 2021.

On 1 August 2024, the Joint Venture Agreement terminated due to Winning Tower Group acquiring 40% shares of the Joint Venture from Skyye. Therefore, the Joint Venture became a wholly owned subsidiary of Winning Tower Group.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW (Continued)

The Group will continue to develop by maintaining its customer base while exploring any new business opportunities and expanding its business capacity by increasing its refrigeration capacity.

	Planned business objective	Actual business progress
To continue to maintain the relations of the existing customers	To offer more tailor-made products and services To broaden our customer base into more restaurants and hotels	Commenced research and development discussion on new products with potential and existing customers
To maintain logistics capacity	To maintain logistics capacity	Redesigned logistics routes and arrangements to maintain logistics capacity

RESULTS AND FINANCIAL REVIEW

Revenue

For the year ended 31 December 2025, the Group recorded approximately HK\$123.0 million revenue as compared with last year's corresponding period of approximately HK\$108.5 million, representing an increase of approximately 13.4%. Of which, approximately HK\$110.6 million was contributed from processing and trading of food products (which includes provision of transportation services) (2024: HK\$90.9 million) and approximately HK\$12.4 million was from restaurant operation (2024: HK\$17.6 million). The increase in revenue was mainly due to the increase in revenue from wholesale of processed raw food.

Cost of inventories consumed and profit/(loss) before tax from operations

For the year ended 31 December 2025, the Group's total cost of inventories consumed amounted to approximately HK\$77.0 million (2024: HK\$61.8 million), of which, approximately HK\$75.2 million was from processed food business (2024: HK\$58.8 million) and the remaining approximately HK\$1.8 million was from restaurant operation (2024: HK\$3.0 million). Loss before tax from operations was approximately HK\$2.0 million, while that in last year's corresponding period recorded a profit before tax from operations of approximately HK\$1.7 million.

Employee benefit expenses

For the year ended 31 December 2025, the Group's employee benefit expenses increased to approximately HK\$25.4 million from last year's corresponding period's approximately HK\$24.9 million which was due to the salary increment.

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS AND FINANCIAL REVIEW (Continued)

Income tax credit/(expense)

For the year ended 31 December 2025, the Group's income tax credit was approximately HK\$0.2 million while last year's income tax expense was approximately HK\$0.6 million.

Profit/(loss) for the year

Based on the above reasons, for the year ended 31 December 2025, the Group recorded a net loss for the year of approximately HK\$2.0 million versus a net profit of approximately HK\$0.9 million was recorded in last year's corresponding period.

FINANCIAL KEY PERFORMANCE

The above financial data were chosen to present in this report as they represent a material financial impact on the financial statements of the Group for the current and/or the previous financial year, with that a change of which could affect the revenue and profit conspicuously. It is believed that by presenting the changes of these financial data can effectively explain the financial performance of the Group for the year ended 31 December 2025.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had net current assets of approximately HK\$17.0 million (2024: HK\$18.6 million), of which cash and cash equivalents consisted of approximately HK\$16.7 million (2024: approximately HK\$13.2 million). The Group had bank borrowings amounted to approximately HK\$1.8 million (2024: approximately HK\$2.2 million).

GEARING RATIO

As at 31 December 2025, the Group's gearing ratio was approximately 2.2% (2024: 2.4%), which is calculated based on the Group's bank borrowings of approximately HK\$1.8 million (2024: HK\$2.2 million) and the equity attributable to owners of the Company of approximately HK\$82.2 million (2024: HK\$90.8 million).

CAPITAL STRUCTURE

As at 31 December 2025, the Company had 1,400,000,000 issued shares at HK\$0.01 each. There has been no change in the Company's capital structure during the financial year under review.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the period. To manage liquidity risk, the management closely monitors the Group's liquidity position and maintains sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to settle the payables of the Group.

CHARGE OF ASSETS

As at 31 December 2025, the Group's leasehold land and owned buildings held for own use with a net carrying amount of approximately HK\$47.2 million (2024: HK\$55.6 million) have been pledged to secure banking facilities granted to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

CURRENCY RISK

As at 31 December 2025, the Group did not have material currency risk exposures as most of the Group's transactions carried out are denominated in Hong Kong dollars and US dollars which either Hong Kong dollars are pegged with or has been maintaining a stable currency rate for a long time.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have any material capital commitments (2024: Nil).

CONTINGENT LIABILITIES

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

EVENT AFTER YEAR END

There were no significant events occurring after the year ended 31 December 2025.

Material acquisitions and disposals of subsidiaries and affiliated companies

During the year, the Group did not have material acquisitions and disposals of subsidiaries and affiliated companies.

MAJOR AND CONNECTED TRANSACTIONS

On 2 July 2019, Winning Tower Group, an indirect wholly-owned subsidiary of the Company, entered into property disposal agreements (the "**Property Disposal Agreements**") with lao Ip Property Investment Limited ("**lao Ip Property**"), pursuant to which lao Ip Property had conditionally agreed to acquire and Winning Tower Group had conditionally agreed to sell two properties, namely, units 803 and 808, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong (the "**Properties**") while the consideration about the sale and purchase of the Properties at the aggregated consideration of HK\$45,516,400. Of which, the consideration of units 803 and 808 was HK\$27,645,000 and HK\$17,871,400 respectively. Pursuant to the Property Disposal Agreements, lao Ip Property and Winning Tower Group shall enter into the respective leasing agreements (the "**Leasing Agreements**") where lao Ip Property as landlord should lease to Winning Tower Group as tenant the Properties for a term of three years commencing from the date which all the conditions precedents were fulfilled according to the Property Disposal Agreements. According to the Leasing Agreements, the rent for units 803 and 808 was HK\$87,300 and HK\$56,436 per month respectively, totaling HK\$143,736 per month, inclusive of property tax, management fee, government rent and rates but exclusive of water, gas and electricity charges.

As the Leasing Agreements expired, Winning Tower Group entered into leasing agreements with lao Ip Property on 26 September 2022 with effect from 30 September 2022 to 29 September 2025 (both days inclusive) (the "**2022 Leasing Agreement**"), and on 25 September 2025 with effect from 30 September 2025 to 29 September 2028 (both days inclusive) (the "**2025 Leasing Agreement**").

lao Ip Property was owned as to 20% by Mr. Yu Ting Hei, a non-executive Director ("**Mr. Yu**") and as to 80% in aggregate by three associates of Mr. Yu. Mr. Yu is a non-executive Director and one of the controlling shareholders of the Company. As such, lao Ip Property is an associate of Mr. Yu and hence a connected person of the Company for the purpose of Chapter 20 of the GEM Listing Rules.

MANAGEMENT DISCUSSION AND ANALYSIS

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Please refer to section “Environmental, Social and Governance Report” below for details. No material impact of the relevant laws and regulations in relation to environment is identified on business operations.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

Please refer to “Major Suppliers and Customers” and “Employees and Emolument Policy” sections in “Directors’ Report”.

BIOGRAPHIES OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. LAI King Wah (黎景華, “Mr. Lai”), aged 74, is the founder of the business of the Group. He was appointed as the Chairman, executive Director of the Company on 3 January 2017 and is the chairman of nomination committee and member of remuneration committee. He is also a director of all the operating subsidiaries of the Group.

Mr. Lai has more than 40 years of experience in the food processing and trading industry in Hong Kong. Prior to founding the Group, he had worked for The Peninsula Group from September 1976 to May 1988 with his last position as an assistant group controller, Hyatt Auckland from August 1988 to June 1992 with his last position as a materials manager, The Hongkong Refrigerating Company Limited from July 1992 to January 1996 with his last position as a general manager, Dah Chong Hong, Limited as a deputy general manager (provisions department for hotel & air catering business) from July 1996 to March 1997, Ramada Hotel since April 1997 as an assistant financial controller and was then transferred to and worked for Tinian Dynasty Hotel & Casino from September 1997 to June 1998 with his last position as an internal auditor, and Dah Chong Hong, Limited again as an assistant general sales manager (food service department, provisions division) from February 1999 to April 2004.

Mr. Lai successfully completed three sessions, namely food and beverage control, wine and spirit management, and meat science and management, and a two-week session of hospitality financial management, both at the Center for Professional Development of the School of Hotel Administration at the Cornell University, New York in July 1982 and in July 1987, respectively. Mr. Lai is primarily responsible for overall strategic planning and management of the Group’s business development and operations. He is the father of Mr. Lai Ho Yin Eldon (“Mr. Eldon Lai”).

Mr. LAI Ho Yin Eldon (黎浩然), aged 47, was appointed as Chief Executive officer, executive Director of the Company on 3 January 2017.

Mr. Eldon Lai has more than 10 years of experience in the food processing and trading industry in Hong Kong. Since March 2012, he joined the Group and worked for Winning Tower as a business development manager. In January 2016, he was transferred to Winning Tower Group and has been serving as a general manager until now. He contributed to the establishment of Jett Foods Asia Limited (“Jett Foods”) in October 2012 and is one of the directors. During these years, Mr. Eldon Lai was responsible for, among others, overall expansion strategy of the Group, management of the construction and renovation of the Group’s workshop, warehouse and ancillary office, administrative and operational management, communicating and liaising with suppliers and customers, and monitoring the financial situation.

Mr. Eldon Lai obtained a bachelor degree of arts and a diploma in teaching (primary) from The University of Auckland, New Zealand in September 2002 and May 2004 respectively. After graduation in 2004 and before joining the Group in 2012, Mr. Eldon Lai worked as a teacher in an intermediate school in Auckland, New Zealand. Mr. Eldon Lai is primarily responsible for overseeing daily management of the Group’s business development and operations. He is the son of Mr. Lai.

BIOGRAPHIES OF DIRECTORS

EXECUTIVE DIRECTORS (Continued)

Mr. HO Timothy Kin Wah (何健華), aged 39, was appointed as executive Director on 3 January 2017. He was admitted a lawyer of the Supreme Court of New South Wales in August 2011 and a member of The Hong Kong Institute of Directors in August 2016.

Mr. Timothy Ho has more than 10 years of experience in the food processing and trading industry in Hong Kong. He contributed to the establishment of Jett Foods in October 2012 and is one of the directors of Jett Foods. During these years, Mr. Timothy Ho was responsible for, among others, administrative and operational management, communicating and liaising with suppliers and customers, managing inventory level, devising marketing strategy, business development opportunities and monitoring the financial situation.

Mr. Timothy Ho obtained a double bachelor degree of laws and science from The University of New South Wales, Australia in August 2010 and a diploma in innovation management from The University of New South Wales, Australia in August 2012. Mr. Timothy Ho is primarily responsible for overseeing daily management of the Group's business operations.

NON-EXECUTIVE DIRECTORS

Mr. ZHONG Yuhua (鍾育華), aged 53, was appointed as non-executive Director on 29 June 2024. He has over 20 years of experience in the food processing and trading industry. Throughout his career in the industry, Mr. Zhong has accumulated extensive experience in the management of food-related business. Mr. Zhong has been the general manager of Guangzhou City Ge Yun Trading Company Limited* (廣州市戈雲貿易有限公司) ("Guangzhou Ge Yun"), which was established in the PRC in 2001 and is a supplier of frozen vegetable and frozen raw meat products based in Guangzhou, the PRC. He is also currently the general manager of certain group companies of Guangzhou Ge Yun, which carry out various business activities in the industry, ranging from food storage and frozen food delivery, meat and vegetable processing, trading of food and related products.

Mr. Zhong is one of the substantial shareholders of Keyview Ventures Limited, the Company's substantial shareholder, holding approximately 38.0% interest as at 31 December 2025. He is also a shareholder of Guangzhou Ge Yun, a related party of the Group. Mr. Zhong is the spouse of Ms. Ou Honglian ("Ms. Ou"), who is a non-executive Director and a substantial shareholder of the Company.

Mr. YU Ting Hei (余庭曦), aged 40, was appointed as non-executive Director on 3 January 2017. Mr. Yu has more than 10 years of experience in the food processing and trading industry in Hong Kong and Macau. He joined the Group and worked for Winning Tower from September 2008 to June 2012 with his last position as a manager. He has been working for Yau Heng Frozen Meat & Food Company Limited since September 2012, and is currently serving as an operation director. He contributed to the establishment of Jett Foods in October 2012 and is one of the directors of Jett Foods. During these years, Mr. Yu was responsible for, among others, handling customers' relationships and sales, development of business opportunities, logistics management, production planning and quality assurance.

Mr. Yu obtained a bachelor degree of science in business administration from the University of Bath, United Kingdom in June 2008. Mr. Yu is primarily responsible for providing strategic advice to the Group.

* For identification purpose only

BIOGRAPHIES OF DIRECTORS

NON-EXECUTIVE DIRECTORS (Continued)

Ms. OU Honglian (歐紅蓮), aged 48, was appointed as non-executive Director on 30 August 2019 and a member of Nomination Committee on 20 March 2025. She has approximately 20 years of experience in food industry in China and had been a business manager of a produce company in Guangzhou. Together with her spouse, Mr. Zhong Yuhua who is also a non-executive Director, she is the substantial shareholder of Keyview Ventures Limited, the Company's substantial shareholder, holding 32.0% interest as at 31 December 2025. She is also the sole shareholder of Rong Zhi (Hong Kong) Company Limited, a food trading company which is a related party of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHAU Chun Wai (周振威), aged 74, was appointed independent non-executive Director, chairman of remuneration committee, member of audit committee and nomination committee on 5 June 2017. He became an associate member of the Hong Kong Institute of Personnel Management and an associate member of the Institute of Training and Development in May 1991 and March 1993 respectively.

Mr. Chau has more than 30 years of experience in the catering services industry. He worked for Cathay Pacific Airways Limited as a traffic officer from May 1973 to March 1976, Swire Air Caterers Limited from March 1976 to July 1995 with his last position as a deputy general manager, operations, Cathay Pacific Catering Services (H.K.) Limited from August 1995 to June 2002 with his last position as a general manager, John Swire & Sons (H.K.) Limited (secondment to Cathay Pacific Catering Services (H.K.) Limited) from July 2002 to June 2010 with his last position as a chief executive officer, and John Swire & Sons (H.K.) Limited (secondment to Hong Kong Airport Services Limited) as a managing director from July 2010 until his retirement in January 2014.

Mr. Chau obtained a diploma of management for executive development from The Chinese University of Hong Kong in September 1987 and a foundation diploma in management from The University of Hong Kong in June 1995. He is responsible for supervising and providing independent judgment to the Board, the remuneration committee, audit committee and nomination committee.

Mr. LO Sun Tong (盧樂棠), aged 74, was appointed as independent non-executive Director, chairman of audit committee, member of the remuneration committee and nomination committee on 5 June 2017. He became a fellow of The Association of Certified Accountants in May 1982, and a fellow of the Hong Kong Society of Accountants in October 1985. He is also a practising certified public accountant of the Hong Kong Institute of Certified Public Accountants.

Mr. Lo has more than 40 years of experience in the accounting and finance industry. He worked for KPMG from September 1972 to July 1978 with his last position as a senior assistant, John Swire & Sons (H.K.) Limited from July 1978 to April 1979 with his last position as an assistant to group accountant, Swire Pacific Limited from May 1979 to December 1985 with his last position as an accountant, Hana Technologies Limited (previously known as Swire Technologies Limited) from April 1986 to May 1999, and ASAT Limited as vice president and general manager from May 1999 to March 2002. From March 2002 up to now he has been serving as a partner of John Lo & Co.

BIOGRAPHIES OF DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Mr. LAM Lai Kiu Kelvin (林禮喬), aged 67, was appointed as independent non-executive Director and member of audit committee on 5 June 2017 and a member of Nomination Committee on 25 March 2025. He was admitted to practise law as a solicitor in Hong Kong in December 1999.

Mr. Lam had more than 19 years of experience as a partner in a solicitor firm. He joined William K. W. Leung & Co. as an assistant solicitor in February 2000. From June 2002 to October 2002, he worked as an assistant solicitor at Jack Fong & Co. He became a consultant of Yu & Associates, Solicitors in October 2002 and subsequently, a partner of the firm in November 2006 until March 2023. Since 1 April 2023, he has resumed to practice as a consultant of Yu & Associates. He obtained a bachelor's degree in law from the University of London by distance learning in August 1996 and a postgraduate certificate in laws from The University of Hong Kong in June 1997.

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of the Company and the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the processing and trading of raw, frozen and cooked food products (which includes the provision of transportation services) and the operation of a restaurant in Hong Kong. The principal activities of the subsidiaries are set out in note 1 to the financial statements.

BUSINESS REVIEW AND PERFORMANCE

A fair review of the Group's businesses comprising analysis of the Group performance during the period under review using financial key performance indicators, description of the principal risks and uncertainties facing the Group, are set out in the section of "Management Discussion and Analysis" in this annual report.

RESULTS

The Group's profit for the year ended 31 December 2025 and the Group's financial position at that date are set out in the financial statements on pages 56 to 133.

DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2025.

RESERVES

Details of movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 60 to 61 and note 27 to the financial statements respectively.

At 31 December 2025, the Company's reserves available for distribution, calculated in accordance with the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, amounted to approximately HK\$47,111,000 (2024: HK\$47,814,000). The amount includes the Company's share premium, capital reserve and accumulated losses which may be distributable provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the company's articles of association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the company to offer new shares on a pro-rata basis to existing shareholders.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets and liabilities of the Group, as extracted from the Prospectus and the consolidated financial statements of the Company for the year ended 31 December 2025, is set out on page 134 of the annual report. This summary does not form part of the audited financial statements.

DIRECTORS' REPORT

PURCHASE, REDEMPTION OR SALE OF SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year.

EQUITY-LINKED AGREEMENTS

No equity-linked agreement was entered into by the Group during the year ended 31 December 2025.

FUTURE PROSPECTS AND DEVELOPMENT

During the year, we have become a frozen food supplier of several chain catering companies which contributed additional revenue and outperformed last year. We therefore expect that our business is fostered and stronger that can be in a much better position to resist any possible economic shock in 2026.

The Group will continue to run our business wholeheartedly and formulate a better business strategy from time to time according to the latest business environment. Meanwhile, the management will also study any possible targets to acquire that they believe to be able to grow the business stronger and healthier.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS

The Group did not have material acquisitions, disposals and significant investments during the year ended 31 December 2025.

DIRECTORS

The Directors who held office during the financial year and up to the date of this annual report were:

Executive Directors

Mr. Lai King Wah (*Chairman*)
Mr. Lai Ho Yin Eldon (*Chief Executive Officer*)
Mr. Ho Timothy Kin Wah

Non-executive Directors

Mr. Zhong Yuhua
Mr. Yu Ting Hei
Ms. Ou Honglian

Independent non-executive Directors

Mr. Chau Chun Wai
Mr. Lo Sun Tong
Mr. Lam Lai Kiu Kelvin

By virtue of article 84(1) of the articles of association of the Company, Mr. Yu Ting Hei, Mr. Lo Sun Tong and Mr. Chau Chun Wai shall retire from office by rotation at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election at such meeting.

DIRECTORS' REPORT

CONFIRMATION OF INDEPENDENCE

The Company has received annual confirmation of independence from each of the Independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules. As at the date of this report, the Board considers them to be independent.

DIRECTORS' SERVICE CONTRACT AND THEIR REMUNERATION

Each of the executive Directors has entered into a service contract for a term of three years commencing from 5 June 2024 and is subject to termination by either party give not less than three months' written notice.

Each of the non-executive Director and Independent non-executive director has entered into a letter of appointment for a period of three years.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 9 and note 30 to the consolidated financial statements of this report, no contracts of significance in relation to the Group's business in which the Company, its holding company, or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2025, the Group had 76 employees (2024: 73). The pay scale of the Group's employees is maintained at a competitive level and employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system. Other employee benefits include provident fund, insurance and medical cover.

The Company strictly complies with all the applicable rules and regulations in relation to employment, to name a few, the Employment Ordinance, Mandatory Provident Fund Ordinance and Personal Data (Privacy) Ordinance, etc. The Group has purchased all necessary insurance and made monthly contributions for its staff and has measures in place endeavored to protect all staff's personal information. There are channels for staff to express their opinions with regard to their work. Moreover, the Group also strives to provide a safe, healthy and harmonious workplace with fair and equal opportunities for staff of both genders.

DIRECTORS' REPORT

EMPLOYEES AND EMOLUMENT POLICY (Continued)

In order to attract and retain high quality staff and to enable smooth operation within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis.

The emoluments of the Directors are recommended by the remuneration committee of the Company, having regard to the Group's operating results, market competitiveness, individual performance and achievement, to the Board for determination.

Details of the Directors' remuneration and the five highest paid individuals are set out in notes 9 and 10 to the financial statements.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 December 2025, the interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") held by the Directors and chief executives of the Company which were required, 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 taken under such provisions of the SFO), to be notified to the Company and the Stock Exchange, or which were required, pursuant to Section 352 of the SFO, to be entered in the register kept by the Company, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Personal interests	Percentage
Ho Timothy Kin Wah	28,000,000	2.00%
Lai Ho Yin Eldon	14,000,000	1.00%
Ou Honglian (Note)	980,000,000	70.00%
Zhong Yuhua (Note)	980,000,000	70.00%
Yu Ting Hei	28,000,000	2.00%

Note: Ms. Ou Honglian is the spouse of Mr. Zhong Yuhua.

Save as disclosed above, as far as the Directors are aware, as at 31 December 2025, none of the Directors and chief executives of the Company had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the standard of dealings by directors set out in Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDER'S INTERESTS AND/OR SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2025, other than the director and chief executive of the Company, the following persons/entities have an interest or a short position in the shares or the underlying shares of the Company as recorded in the register of the Company required to be kept under section 336 of the SFO:

Name of shareholder	Number of shares	Percentage to the issued share capital of the Company
Keyview Ventures Limited	980,000,000	70%

Save as disclosed above, as at 31 December 2025, no other persons had any interests or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Share Option Scheme") which was approved and adopted by the shareholder of the Company by way of written resolution on 5 June 2017 which has a valid period of 10 years from the date of adoption of the Share Option Scheme (i.e., 5 June 2017, the "Adoption Date") to the tenth anniversary of the Adoption Date.

At the beginning and the end of the financial year of 2025, the maximum number of share options under the Share Option Scheme adopted by the Company on 5 June 2017 was 140,000,000 which was also the number of shares available for issue under the Share Option Scheme. The percentage of the issued shares that it represents was 10%. No share option has been granted under the Share Option Scheme since its adoption and as such, no options have been exercised, lapsed or cancelled as at 31 December 2025.

The following is a summary of the principal terms and conditions of the Share Option Scheme.

Purpose

The purpose of the Share Option Scheme is to provide incentives or rewards to participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity.

Participants

Subject to the Share Option Scheme and the GEM Listing Rules, the Board shall be entitled but shall not be bound at any time and from time to time within the scheme period to offer to grant to any participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, an option to subscribe for such number of shares as the Board may determine at a price calculated in accordance with the Share Option Scheme.

Upon acceptance of the option, the Participant shall pay HK\$1.00 to the Company by way of consideration for the grant. The option will be offered for acceptance for a period of twenty-one days from the date on which the option is granted.

DIRECTORS' REPORT

SHARE OPTION SCHEME (Continued)

Maximum amount of shares

The total number of Shares which may be issued upon exercise of all options (excluding for this purpose options which have lapsed in accordance with the terms of the Share Option Scheme and any other schemes) to be granted under the Share Option Scheme and other schemes must not, in aggregate, exceed 10% of the Shares in issue. The Company may refresh the 10% limit by seeking prior approval from Shareholders in a general meeting. The total number of Shares which may be issued upon exercise of all options after the limit as refreshed, in aggregate, must not exceed 10% of the Shares in issue at the date of such Shareholders' approval from the Shareholders. The Company may also grant options beyond the 10% limit by seeking Shareholder's approval in a general meeting, provided that the Grantee(s) of such option(s) must be specifically identified before such approval is sought.

Notwithstanding the foregoing, the Company must not grant any options if the number of Shares, which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and other schemes, exceeds 30% of the Shares in issue from time to time.

The number of share options available for grant under the mandate of the Share Option Scheme as at 1 January 2025 and 31 December 2025 was 140,000,000.

The number of shares that may be issued in respect of share options granted under the Share Option Scheme during the reporting year divided by the weighted average number of shares of the relevant class in issue for the year was nil.

At as the date of this annual report, the total number of shares available for issue under the Share Option Scheme was 140,000,000 and the percentage of the issued shares that it represents was 10%.

Maximum entitlement of each participant under the Share Option Scheme

The total number of shares issued and to be issued upon the exercise of all share options granted to each eligible participant (excluding any share options lapsed in accordance with the terms of the Share Option Scheme) in any period of twelve (12) consecutive months up to and including the date of such grant shall not exceed 1% of the shares in issue.

Period within which the share option may be exercised by the grantee under the Share Option Scheme

A period to be determined by the board at its absolute discretion (provided that the period shall not be more than 10 years from the date of grant of share options) and notified by the board to an eligible participant as the period during which a share option may be exercised (subject to any restrictions on the exercise of the share option as may be imposed by the board).

DIRECTORS' REPORT

SHARE OPTION SCHEME (Continued)

Vesting period of share options granted under the Share Option Scheme

Not less than twelve (12) months from the date of acceptance of an offer of the share option or such shorter period as may be determined by the Remuneration Committee if the grantee is a director or a senior manager, or by the board in any other case.

Maximum entitlement of each participant

No Participant shall be granted options if exercised in full would result in the total number of Shares already issued under all the options granted to him which have been exercised and issuable under all the options granted to him which are for the time being subsisting and unexercised in any 12-month period would exceed 1% of the total number of Shares in issue, provided that if approved by Shareholders in general meeting with such Participant and his close associates (or his associates if such Participant is a connected person) abstaining from voting, the Company may make further grant of options to such Participant (the "Further Grant") notwithstanding that the Further Grant would result in the total number of Shares already issued under all the options granted to such Participant which have been exercised and issuable under all the options granted to him which are for the time being subsisting and unexercised in any 12-month period exceed 1% of the total number of Shares in issue.

Time of Exercise of Option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined by the Board absolutely, provided that such period shall not be more than ten years from the date upon which the option is deemed to be granted and accepted in accordance with the Share Option Scheme. The Board may, at its discretion, determine the minimum period for which the option has to be held before the option can be exercised.

The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid

The offer of a grant of share options may be accepted within 21 days from the date of the offer upon payment of a consideration of HK\$1 by the grantee.

Price of Shares

The subscription price in respect of Share under any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the relevant subscription price shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the grant of the option, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of the grant of the option; and (iii) the nominal value of a Share.

For the purpose of determining the relevant subscription price where the Shares have been listed on the Stock Exchange for less than five trading days preceding the date of the grant of the option, the issue price of the Shares shall be deemed to be the closing price of the Shares for any trading day falling within the five trading days period after the Listing Date (i.e., 30 June 2017).

DIRECTORS' REPORT

SHARE OPTION SCHEME (Continued)

The remaining life of the scheme

The Share Option Scheme will expire on 4 June 2027.

SIGNIFICANT CONTRACT BETWEEN THE GROUP AND THE CONTROLLING SHAREHOLDER

Save and except those disclosed under the section headed "Continuing Connected Transaction", the Group does not have any contract of significance with the controlling shareholder or any of its subsidiaries.

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

Each of the Directors or the controlling shareholders and their respective close associates (as defined in the GEM Listing Rules) has confirmed that none of them had any business or interest in any company that competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the year and up to the date of this report.

ENVIRONMENTAL POLICIES AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

Please refer to Section "Environmental, Social and Governance Reporting" below for details. No material impact of the relevant laws and regulations in relation to environment is identified on business operations.

COMPLIANCE OF THE DEED OF NON-COMPETITION BY THE CONTROLLING SHAREHOLDERS

During the year, (i) the Company had not received any information in writing from any of the then Controlling Shareholders (as defined in the GEM Listing Rule) in respect of any new business opportunity which competed or might compete with the existing and future business of the Group which were offered to or came to the knowledge of the then Controlling Shareholders or their associates (other than any member of the Group; and (ii) each of the then Controlling Shareholders had made an annual declaration in favour of the Company that it/he/she had fully complied with its/his/her obligations under the Deed of Non-competition. In view of the above, no review was required to be performed by and no decision was required to be made by the independent non-executive Directors on whether or not to exercise the right of first refusal under the Deed of Non-competition.

DIRECTORS' REPORT

CONTINUING CONNECTED TRANSACTIONS

1. Master Supply Agreement with Yau Heng

Winning Tower Group has entered into a master supply agreement with Winning Futures Limited (“**Winning Futures**”, formerly known as Winning Tower (Macau) Limited) and Yau Heng Frozen Meat & Food Company Limited (“**Yau Heng**”) in 2019 which constituted continuing connected transactions subject to the requirements of reporting, annual review and announcement under Chapter 20 of the GEM Listing Rules.

As the Master Supply Agreement expired on 31 December 2022, Winning Tower Group has, on 30 December 2022, entered into a new master supply agreement with Winning Futures and Yau Heng for the supply of certain frozen raw and processed meat products to Winning Futures and Yau Heng for three years (“**2022 Master Supply Agreement**”). The proposed annual caps for each of the three years ending 31 December 2025 are HK\$9 million. As the proposed annual caps in respect of the 2022 Master Supply Agreement for the three years ending 31 December 2025 are less than HK\$10,000,000 and one or more of the applicable percentage ratios (as defined under Chapter 20 of the GEM Listing Rules) are less than 25% and the annual consideration is less than HK\$10,000,000, the transactions contemplated under the 2022 Master Supply Agreement will be subject to the requirements of reporting, annual review and announcement but are exempt from compliance with the requirements of circular (including independent financial advice) and approval by the independent Shareholders under Chapter 20 of the GEM Listing Rules.

Please refer to the announcement dated 30 December 2022 for more details.

The Directors are of the view that all the above transactions are (i) on normal commercial terms and in the ordinary course of business of the Group; (ii) the annual caps of which are fair and reasonable; and (iii) are in the interests of the shareholders of the Company as a whole.

The one or more of the applicable ratios (as defined under Chapter 20 of the GEM Listing Rules) regarding the proposed annual cap of each of the continuing connected transactions for the year ended 31 December 2025 are less than 25% and the annual consideration did not exceed HK\$10,000,000, the transactions contemplated herein are subject to the requirements of reporting, annual review and announcement but are exempt from compliance with the requirements of circular (including independent financial advice) and approval by the independent Shareholders under Chapter 20 of the GEM Listing Rules.

DIRECTORS' REPORT

CONTINUING CONNECTED TRANSACTIONS (Continued)

1. Master Supply Agreement with Yau Heng (Continued)

Below is the comparison between the annual caps and the actual transacted amounts with the connected parties under those master agreements for the financial year ended 31 December 2025:

Contract name	Transaction amount for the year ended 31 December 2025 recorded in the books and records HK\$'000	Maximum annual caps for the year ended 31 December 2025 as disclosed in announcements HK\$'000
Related Party Agreements		
Master Supply Agreement with Winning Futures and Yau Heng	7,862	9,000

As the Master Supply Agreement expired on 31 December 2025, Winning Tower Group has, on 30 December 2025, entered into a new master supply agreement with Winning Futures and Yau Heng for the supply of certain frozen raw and processed meat products to Winning Futures and Yau Heng for three years (“**2025 Master Supply Agreement**”). The proposed annual caps for each of the three years ending 31 December 2026 to 2028 are HK\$9,999,999. As the proposed annual caps in respect of the 2025 Master Supply Agreement for the three years ending 31 December 2028 are less than HK\$10,000,000 and one or more of the applicable percentage ratios (as defined under Chapter 20 of the GEM Listing Rules) are less than 25% and the annual consideration is less than HK\$10,000,000, the transactions contemplated under the 2025 Master Supply Agreement will be subject to the requirements of reporting, annual review and announcement but are exempt from compliance with the requirements of circular (including independent financial advice) and approval by the independent Shareholders under Chapter 20 of the GEM Listing Rules.

Please refer to the announcement dated 30 December 2025 for more details.

The Directors are of the view that all the above transactions are (i) on normal commercial terms and in the ordinary course of business of the Group; (ii) the annual caps of which are fair and reasonable; and (iii) are in the interests of the shareholders of the Company as a whole.

DIRECTORS' REPORT

CONTINUING CONNECTED TRANSACTIONS (Continued)

2. Master Supply Agreement with Wing's Management

On 22 January 2021 (after trading hours), Winning Tower Group entered into a master supply agreement with Wing's Management Holdings Limited ("**Wing's Management**"), Wing's Catering (Wan Chai) Limited ("**Wing's Catering WC**"), Wing's Catering (Tai Kok Tsui) Limited ("**Wing's Catering TKT**") and Ever Wardley Limited ("**Ever Wardley**") for supplying certain frozen raw processed meat products to Wing's Group (comprising Wing's Management and its subsidiaries, Wing's Catering TKT and H & K Holdings Limited ("**H & K Holdings**") for the three financial years ending 31 December 2023. On the same date, Winning Tower Group, Wing Si Worldwide Holdings Limited ("**Wing Si Worldwide**"), Winning Wings, Wing's Management and H & K Holdings entered into a supplemental joint venture agreement for certain additional terms and conditions in relation to the management and operation of Winning Wings by Wing Si Worldwide pursuant to the joint venture agreement signed on 24 May 2019, and the payment of licensing fee to Wing's Management (for itself and on behalf of H & K Holdings) pursuant to the licensing agreement entered into between Wing's Management, H & K Holdings and Winning Wings on 24 May 2019, for the three financial years ending 31 December 2023.

As mentioned in the "Business Review" Section, Winning Tower Group entered into a master supply agreement with Wing's Management, Wing's Catering WC, Wing's Catering TKT and Ever Wardley for supplying certain frozen raw processed meat products to Wing's Group for the three financial years ending 31 December 2023. On the same date, Winning Tower Group, Wing Si Worldwide, the Joint Venture, Wing's Management and H & K Holdings entered into the Supplemental Joint Venture Agreement ("**2023 Supplemental Joint Venture Agreement**") for certain additional terms and conditions in relation to the management and operation of the Joint Venture by Wing Si Worldwide pursuant to the Joint Venture Agreement, and the payment of licensing fee to Wing's Management (for itself and on behalf of H & K Holdings) pursuant to the Licensing Agreement, for the three financial years ending 31 December 2023. For the details of the transactions, please refer to the announcement of the Company dated 22 January 2021.

As the Master Supply Agreement expired on 31 December 2023, Winning Tower Group had, on 29 December 2023 (after trading hours), entered into a Master Supply Agreement (the "**2024 Master Supply Agreement**") with Wing's Management, Wing's Catering WC, Wing's Catering TKT and Ever Wardley for supplying certain frozen raw and processed meat products to Wing's Group for a term of three years from 1 January 2024 to 31 December 2026 (both days inclusive).

The aggregate annual cap amounts in respect of the 2024 Master Supply Agreement for each of the three years ending 31 December 2024, 2025 and 2026 shall be less than HK\$7,500,000, HK\$8,000,000 and HK\$8,500,000 respectively.

Please refer to the Company's announcement dated 29 December 2023 for details.

DIRECTORS' REPORT

CONTINUING CONNECTED TRANSACTIONS (Continued)

The annual cap of the abovementioned transaction for the year ended 31 December 2025 is as follows:

	2025 HK\$'000
Master supply agreement	8,000

For the year ended 31 December 2025, the amounts transacted in relation to the master supply agreement by the Group was approximately HK\$6,857,000.

The independent non-executive directors of the Company have reviewed the above continuing connected transactions and confirmed that all the transactions have been entered into:

- (1) in the ordinary and usual course of business of the listed issuer's group;
- (2) on normal commercial terms or better; and
- (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Moreover, the Company's auditor has provided an unqualified letter to the Board containing their findings and conclusions in respect of the continuing connected transactions taken place during the year ended 31 December 2025 in accordance with Rule 20.54 of the GEM Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS, TREASURY SHARES

Please refer to section headed "Equity-Linked Agreements" on page 15 for details. The Company has not issued for cash of equity securities made otherwise than to the Company's shareholders in proportion to their shareholdings and which has not been specifically authorized by the Company's shareholders.

The Company did not hold any treasury shares (as defined under the Listing Rules) as of 31 December 2025 and did not purchase or sell any treasury shares during the financial year ended 31 December 2025. There were also no proceeds raised by means of issuing any equity securities (including convertibles but excluding exercise of share options, if any) or sale of treasury shares during the financial year ended 31 December 2025.

MAJOR SUPPLIERS AND CUSTOMERS

The Group highly values the relationships with customers and suppliers as they are the foundation of the Group's success.

DIRECTORS' REPORT

MAJOR SUPPLIERS AND CUSTOMERS (Continued)

Customers

The Group provides direct services/goods to customers and conduct surveys to interact with them to gain market insights and feedback.

The Group allows a credit period from 30 days to 45 days to its customers. The Group also continuously evaluates the credit risk of its customers to ensure appropriateness of the amount of credit granted. Credit terms are extended to customers based on the evaluation of individual customer's financial conditions. No significant recoverability problem is identified subsequent to the reporting period.

Suppliers

The Group has purchased from either long established suppliers or suppliers from well-known enterprises to ensure that they are able to deliver the goods/services as requested. Furthermore, the Company has formulated anti-bribery policies for all staff to comply.

During the year ended 31 December 2025, sales to the Group's five largest customers accounted for approximately 60.8% of the total sales for the year and sales to the largest customer included therein amounted to approximately 37.5%. Purchases from the Group's five largest suppliers accounted for approximately 61.6% of the total purchases for the year and purchase from the largest supplier included therein amounted to approximately 19.9%.

Apart from the related parties set out in note 30 to the consolidated financial statements in this report, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the consolidated financial statements in this report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the directors as at the latest practicable date prior to the issue of this annual report, the Company has maintained a sufficient public float of at least 25% of ordinary shares of the Company throughout the reporting year, therefore Rule 17.37B of the GEM Listing Rules is complied with. As at 31 December 2025, the Company has 1,400,000,000 issued shares at HK\$0.01 each and the percentage of public float at 25% consists of 350,000,000 shares.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraphs headed "Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporations" above, and "Share option Scheme" below, at no time during the year ended 31 December 2025 was the Company, its holding company, or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their associates to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors has been in force for the year and as at the date of this report. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders by reason of their holding of the shares. Intending holders and investors of the Company's shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications (including tax relief) of subscribing for, purchasing, holding, disposing of or dealing in shares. It is emphasised that neither the Company nor its directors or officers will accept any responsibility for any tax effect on, or liabilities of, holders of shares in the Company resulting from their subscription for, purchase, holding, disposal of or dealing in such shares.

CORPORATE GOVERNANCE

Details of the corporate governance practices adopted by the Company are set out in the Corporate Governance Report on pages 28 to 41 of the annual report.

EVENTS AFTER THE REPORTING PERIOD

The Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of this report.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

By order of the Board

Winning Tower Group Holdings Limited

Lai King Wah

Chairman and Executive Director

Hong Kong

19 March 2026

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “CG Code”) contained in Appendix C1 of the GEM Listing Rules.

The Board recognizes the value and importance of achieving high corporate governance standards and is committed to upholding good corporate standards and procedures for the best interest of the Company’s shareholders. The Company was listed on 30 June 2017. To the best knowledge of the Directors, the Company had complied with the code provisions in the CG Code throughout the year ended 31 December 2025.

Chairman and Chief Executive Officer

Pursuant to the code provision C.2.1 of the Code, the roles of the chairman and the chief executive officer should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and the chief executive officer should be clearly established and set out in writing. To ensure a balance of power and authority, the Company fully supports the division of responsibility between the chairman and the chief executive officer. The roles of the chairman and the chief executive officer are segregated and performed by Mr. Lai King Wah and Mr. Lai Ho Yin Eldon respectively.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the period from the day of listing to 31 December 2025.

APPOINTMENT, RE-ELECTION AND RETIREMENT OF THE DIRECTORS

By virtue of article 84(1) of the articles of association of the Company, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or 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 (including those appointments for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election thereat.

Accordingly, Mr. Yu Ting Hei, Mr. Lo Sun Tong and Mr. Chau Chun Wai shall hold office until the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election at such meeting.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

The Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors as at the date of this report, details of which are set out below:

Executive Directors

Mr. Lai King Wah (*Chairman of the Board*)

Mr. Lai Ho Yin Eldon (*Chief Executive Officer*)

Mr. Ho Timothy Kin Wah

Non-executive Directors

Mr. Zhong Yuhua

Mr. Yu Ting Hei

Ms. Ou Honglian

Independent non-executive Directors

Mr. Chau Chun Wai

Mr. Lo Sun Tong

Mr. Lam Lai Kiu Kelvin

The brief biographical details of the Directors are set out in the section headed “Biographies of Directors” on pages 10 to 13 of this report.

Save as disclosed in this report, the other Board members have no financial, business, family or other material or relevant relationships with each other.

For terms of appointment of non-executive directors, please refer to page 28 of this Report.

FUNCTIONS OF THE BOARD

The Board is responsible for the approval and monitoring of the Group’s overall strategies and policies; approval of business plans; evaluating the performance of the Group and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company’s affairs.

The Board focuses on overall strategies and policies with particular attention paid to the growth and financial performance of the Group.

The Board delegates day-to-day operations of the Group to Executive Directors and senior management of every business segment, while reserving certain key matters for its approval.

Decisions of the Board are communicated to the management through Executive Directors who have attended Board meetings.

CORPORATE GOVERNANCE REPORT

FUNCTIONS OF THE BOARD (Continued)

The Company had arranged for appropriate liability insurance for the directors and officers of the Group for indemnifying their liabilities arising from corporate activities.

During the year, all Directors have been provided, on a monthly basis, with the Group's management information updates to give them aware of the Group's affairs and facilitates them to discharge their duties under the relevant requirements of the GEM Listing Rules.

Board Performance Evaluation

During the Year, the Group has not conducted the evaluation of the performance of the Board (the "**Board Performance Evaluation**") (except for the review of the Board's composition and skills). The Board shall set up a policy for the Board Performance Evaluation during the year ending 31 December 2026. The evaluation shall at least cover the following areas:

- Board composition and skills
- Board culture and dynamics
- Board practices
- Quality and timeliness of information to the board
- Board meetings
- Compliance and training
- Risk management and internal controls
- Stakeholder engagement

The process of the Board Performance Evaluation shall include: (i) identifying the approach and scope; (ii) questionnaires of the performance of the Board and each of the committees of the Board to be completed by the Directors; (iii) results of the questionnaires to be analysed by the Company Secretary and meet with individual Director if necessary; (iv) evaluation results to be presented to the Board for further discussions; (v) the Board to determine the action plan(s) to enhance the Board's performance and effectiveness; and (vi) the Board Performance Evaluation shall be conducted at least once in every two years.

The Company has established following mechanisms to ensure independent views and input are available to the Board and these mechanisms will be reviewed annually.

CORPORATE GOVERNANCE REPORT

FUNCTIONS OF THE BOARD (Continued)

A. Number of Independent Non-executive Directors and their contribution

- (i) Three out of eight Directors are Independent Non-executive Directors, which exceeds the requirement of the GEM Listing Rules that at least one-third of the Board are independent non-executive directors.
- (ii) The composition of the Board should provide a sufficient balance of skill, experience and diversity of perspectives in leading the Company to achieve its goal.
- (iii) Executive Director will meet with the Independent Non-executive Directors at least annually.
- (iv) The Chairman should at least annually hold meetings with the Independent Non-executive Directors without the presence of other Directors.
- (v) If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

B. Appointment and Independence of Non-executive Directors

- (i) Nomination Committee will assess the independence of a candidate who is nominated to be a new Independent Non-executive Director before appointment and the continued independence of the current long-serving Independent Non-executive Director, if any, on an annual basis. All Independent Non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 5.09 of the GEM Listing Rules.
- (ii) When any of the Independent Non-executive Director has served more than nine years on the Board,
 - a. the Nomination Committee will nominate, and the Company will appoint, a new independent Non-Executive Director on the Board at the forthcoming annual general meeting; or
 - b. such Independent Non-executive Director's further appointment should be subject to a separate resolution to be approved by shareholders, with papers accompanying to that resolution including the factors considered, the process and discussion of the Nomination Committee in arriving at the determination that such Independent Non-executive Director is still independent and should be re-elected.
- (iii) A Director (including Independent Non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- (iv) No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors.

CORPORATE GOVERNANCE REPORT

FUNCTIONS OF THE BOARD (Continued)

C. Channels where independent views are available

All Directors are entitled to retain independent professional advisors as and when it is required and at the Company's expense in appropriate circumstances.

D. Board meetings where independent views are expressed

- (i) The Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them with an opportunity to attend and all Directors are given an opportunity to include matters in the agenda for a regular meeting. For all other Board meetings, reasonable notice should be given.
- (ii) Board papers are usually dispatched to the directors at least three days before the meeting to ensure that Directors have sufficient time to review the papers and be adequately prepared for the meeting.
- (iii) Directors unable to attend a meeting are advised of the matters to be discussed and are given an opportunity to make their views known to the Chairman prior to the meeting.
- (iv) All Directors are encouraged to express their views in an open and candid manner during the Board/ Board Committees meetings.
- (v) Independent Non-executive Directors and other non-executive Directors should make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

CORPORATE GOVERNANCE REPORT

CORPORATE CULTURE AND STRATEGY

The Company acts as an investment holding company and the principal activities of its major subsidiaries include processing and trading of raw, frozen and cooked food products (which includes the provision of transportation services) and the operation of a restaurant. With diversified businesses, by recognizing the importance of stakeholders at the Board level and throughout the Group, we strive to provide high quality and reliable products and services, and to create values to the stakeholders through sustainable growth and continuous development.

The Board has set the following values to provide guidance on employees' conduct and behaviors as well as the business activities, and to ensure they are embedded throughout the Company's vision, mission, policies and business strategies:

- Integrity: do the right things;
- Excellence: deliver our products and services excellence;
- Collaboration: work better together;
- Accountability: accountable for our commitments;
- Empathy: care about our stakeholders; and
- Sustainability: commit to a sustainable future.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

WHISTLEBLOWING POLICY

In compliance with code provision D.2.3 of the CG Code, the Board updated a Whistleblowing Policy on 3 January 2024. It provides employees and the relevant third parties who deal with the Group (e.g. customers, and suppliers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the Executive Director and designated person as well as Head of Group Human Resources and Administration Department. An email account (whistleblowing@winningtower.hk) has been set up for this purpose. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and its identity will be kept confidential.

The Board and the Audit Committee will regularly review the Whistleblowing Policy and mechanism to improve its effectiveness.

CORPORATE GOVERNANCE REPORT

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

In compliance with the new code provision D.2.4 of the CG Code, the Board adopted an Anti-Fraud and Anti-Corruption Policy on 21 November 2019. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to the anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof, to the management or through an appropriate reporting channel. The Group would not tolerate all forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties.

The Board and the Audit Committee will review the Anti-Fraud and Anti-Corruption Policy and mechanism periodically to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements of the Group for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period in accordance with accounting principles generally accepted in Hong Kong. The statement by auditor of the Company about their responsibilities for the financial statements is set out in the independent auditor's report contained in this annual report. The Directors have adopted the going concern approach in preparing the consolidated financial statements and are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

DIRECTORS AND OFFICERS INSURANCE

Appropriate insurance covers on directors' and officers' liabilities have been in force to protect the Directors and officers of the Group from their risk exposure arising from the business of the Group.

BOARD MEETING AND PROCEDURES

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly. In compliance with code provision C.5.3 of the Code, at least 14 days' notice has been given for a regular Board meeting to give all Directors an opportunity to attend. Notice, agenda and board papers of regular Board meetings are sent to all Directors with reasonable time and at least 3 days prior to the meetings. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered to have conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments on the final version of which are endorsed in the subsequent Board meeting.

CORPORATE GOVERNANCE REPORT

BOARD MEETING AND PROCEDURES (Continued)

During the year ended 31 December 2025, there were four Board meetings and one general meeting were held. Details of the attendance of each director are as follows:

Directors	Board meeting	General meeting
Mr. Lai King Wah	4/4	1/1
Mr. Lai Ho Yin Eldon	4/4	1/1
Mr. Ho Timothy Kin Wah	4/4	1/1
Mr. Yu Ting Hei	4/4	1/1
Ms. Ou Honglian	4/4	1/1
Mr. Zhong Yuhua	4/4	1/1
Mr. Chau Chun Wai	4/4	1/1
Mr. Lo Sun Tong	4/4	1/1
Mr. Lam Lai Kiu Kelvin	4/4	1/1

Board minutes are kept by the Company Secretary and are open for inspection by the Directors. Every Board member is entitled to have access to materials and has unrestricted access to the advice and the Company Secretary, and has the right to seek external professional advice if so required.

BOARD COMMITTEES

The Board has established specific committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, with written terms of reference which are available for viewing on the website of the Company to assist them in efficient implementation of their functions. Specific responsibilities have been delegated to the above committees. Each committee is required to report back to the Board and keep the Board fully informed of its decisions and recommendations unless there are legal or regulatory restrictions on its ability to do so.

AUDIT COMMITTEE

The Company has established an audit committee on 5 June 2017 with written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. Lo Sun Tong (chairperson), Mr. Chau Chun Wai and Mr. Lam Lai Kiu Kelvin.

The primary duties of the audit committee are (but without limitation) to assist the Board in providing an independent view of the effectiveness of the Company's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board. Full minutes of the Audit Committee meetings were kept by the Company Secretary. Draft and final versions of minutes of the Audit Committee meetings were sent to all the members for their comment and records within a reasonable time after the meeting.

The audit committee has reviewed this annual report and was in the opinion that such report has complied with the applicable accounting standards and adequate disclosures have been made.

During the year ended 31 December 2025, there were four Audit Committee meetings were held. All committee members attended all the audit committee's meetings.

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

The fees in relation to the audit service provided by Ernst & Young Certified Public Accountants, the external auditor of the Company, for the year ended 31 December 2025 amounted to HK\$1,250,000, and those in relation to non-audit services was HK\$100,000.

REMUNERATION COMMITTEE

The Company established a remuneration committee on 5 June 2017 with written terms of reference in compliance with code provision E.1.2 of the CG Code. The remuneration committee consists of three Directors, namely Mr. Chau Chun Wai (chairperson), Mr. Lo Sun Tong and Mr. Lai King Wah.

The primary duties of the remuneration committee include (but without limitation): (i) making recommendations to the Directors on the 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) determining the terms of the specific remuneration package of the Directors and senior management; (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time. The Remuneration Committee has duly perform its duties during the reporting year.

A total of one Remuneration Committee meeting was held during the year ended 31 December 2025 with all members of the committee present.

REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

Each of the Directors will receive a fee which is subject to an annual adjustment at a rate to be reviewed by the remuneration committee and be determined at the discretion of the Board. The Company's policy concerning the remuneration of the Directors is that the amount of remuneration is determined by reference to the relevant Director's experience, responsibilities, workload and the time devoted to the Group. The Group has adopted incentive bonus schemes and continues to maintain these schemes, seeking to align the financial well-being of the Group with that of the employees, and to retain the Directors and staff of high caliber.

NOMINATION COMMITTEE

The Company has established a nomination committee on 5 June 2017 with written terms of reference in compliance with code provision B.3.1 of the CG Code. The nomination committee consists of five Directors, namely Mr. Lai King Wah (chairperson), Mr. Chau Chun Wai, Ms. Ou Honglian, Mr. Lam Lai Kiu Kelvin and Mr. Lo Sun Tong.

The primary function of the nomination committee includes:

1. Review the structure, size and composition of the Board at least annually, assist the Board in maintaining a board skills matrix, and make recommendations on any proposed changes to the Board to complement the Group's corporate strategy;
2. Identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. Assess the independence of independent non-executive Directors;

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE (Continued)

4. Make recommendations to the Board on the appointment or re-appointment of directors and succession of planning for directors, in particular the chairman and chief executive officer; and
5. Support the Group's regular valuation of the Group's performance.

During the year ended 31 December 2025, there was one Nomination Committee meeting held with all members present.

The Nomination Committee searches for potential new director candidates according to the Company and the Board's strategic needs and assesses the relevant background, skills and experiences of those candidates before recommending them to the Board for consideration. During the year, the Nomination Committee considers that there is no need to recommend new director or chief executive candidate.

DIVERSITY OF THE BOARD

The Group has adopted policy in relation to the diversity of the members of the Board to comply with Rule 17.104 of the GEM Listing Rules and the summary of the policy is as follows:

- (1) selection of Board members will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and education background, professional experience, skills, knowledge and length of service;
- (2) the Board is no longer a single gender and aims to appoint a female director to the Nomination Committee to further achieve gender diversity; and
- (3) the Nomination Committee will monitor the implementation of the diversity policy from time to time to ensure the effectiveness of the diversity policy.

During the year, the Nomination Committee conducted an assessment on the Board performance in accordance with the framework of the Stock Exchange. The assessment was based on Director's time commitment and contributions to the Board on (i) involvement on the Board; (ii) familiarity with/knowledge with the Company's business; and (iii) other factors such as number of directorships held by each Director in other listed companies, integrity, communication skills and whether Directors were able to uphold and adhere to the Company's corporate culture and values. The Committee was in the opinion that the current composition of top and senior management of the Company was satisfactory.

CORPORATE GOVERNANCE REPORT

PROFESSIONAL DEVELOPMENT OF THE DIRECTORS

The Company is committed in arranging and funding suitable training to all Directors for their continuous professional development. In compliance with the code provision B(j) of the Code, all Directors had participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Directors had provided the relevant record to the Company during the year with sufficient training hours in accordance with Rules 5.02F to 5.02H. Each Director is briefed and updated from time to time to ensure that he/she is fully aware of his/her responsibilities under the GEM Listing Rules and applicable legal and regulatory requirements and the governance policies of the Group. All the Directors also understand the importance of continuous professional development and are committed to participate in any suitable training to develop and refresh their knowledge and skills.

The details of the continuous professional development of the Directors taken during the year are as follows:

Name of Directors	Roles, functions and responsibilities of the board	Issuers' obligations and directors' duties	Topics of continuous professional development			Mode of continuous professional development External provider (E)/ Internal provider (I)/ Self study (S)	Number of hours
			Corporate governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments		
Mr. Lai King Wah	Directors' duties and long suspension,	Directors' duties under the Listing	ESG updates by HKCGI	Listed company corruption and	1. Economic statistical highlight by Research	S	16.5
Mr. Lai Eldon Ho Yin	roles of audit committee and	Rules Refresher and Recent		the importance of cross-border	Office, Legislative Council Secretariat (ISSH29/2025)	S	12.0
Mr. Ho Timothy Kin Wah	INEDs by Baker & McKenzie and Grant Thornton	Developments by Slaughter and May		cooperation by ICAC	2. South China Morning Post business article	S	14.5
Mr. Zhong Yuhua						S	25.0
Ms. Ou Honglian						S	13.0
Mr. Yu Ting Hei						S	16.0
Mr. Lo Sun Tong						S	16.0
Mr. Chau Chun Wai						S	50.0
Mr. Lam Lai Kiu Kelvin						S	12.0

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has overall responsibility for the internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal control system to safeguard the interest of the shareholders and the Group's assets. The internal control system includes safeguard of the interest of shareholders and the Group's assets. The Board has delegated to management for the implementation of all relevant financial, operational, compliance controls and risk management function within a defined framework. During the year ended 31 December 2025, the Board has conducted a review of the system of internal control to ensure the effectiveness and adequacy of the system. The Board shall conduct such review at least once annually. The Board also conducts risk assessments on a regular basis to evaluate the adequacy and effectiveness of controls that are in place to mitigate the identified risks.

Internal audit

The Group has an Internal Audit ("IA") function, which is comprised of professional staff with relevant expertise (such as certified public accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness. An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via Audit Committee afterwards. This could ensure the internal control system is effective.

The Board is responsible for the risk management and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Several areas have been considered during the Board's reviews, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment; (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems.

The Board, through its reviews and the reviews made by IA function and Audit Committee, concluded that the risk management and internal control systems were effective and adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

Company Secretary

The Board had appointed Mr. Tsang Hing Bun ("Mr. Tsang") as the company secretary (the "Company Secretary") and an authorized representative of the Company on 5 June 2017. From 1 August 2018, Mr. Tsang ceased to be an employee of the Company. As required under code provision F of the CG Code, the Company has assigned Mr. Lai Ho Yin Eldon, the executive Director, as the contact person with Mr. Tsang. Information in relation to the performance, financial position and other major developments and affairs of the Group are speedily delivered to Mr. Tsang through the contact person assigned. Hence, all Directors are still considered to have access to the advice and services of the Company Secretary in light of the above arrangement in accordance with code provision C.6.1 of the CG Code. Having in place a mechanism that Mr. Tsang will be informed of the Group's development promptly without material delay and with his expertise and experience, the Board is confident that having Mr. Tsang as the Company Secretary is beneficial to the Group's compliance with the relevant board procedures, applicable laws, rules and regulations. For the reporting period, Mr. Tsang has duly complied with the relevant professional training requirement under Rule 5.15 of the GEM Listing Rules.

CORPORATE GOVERNANCE REPORT

THE SHAREHOLDERS' RIGHTS TO CONVENE AN EXTRAORDINARY GENERAL MEETING ("EGM")

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office in Cayman Islands and its principal place of business in Hong Kong, for the attention of the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If the Directors do not within 21 days from the date of the deposit of such requisition proceed duly to convene a special general meeting, the requisitionists themselves or any of them representing more than one half of the total voting rights of all of them may convene the special general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Directors, and all reasonable expenses incurred by the requisitionists as a result of the failure of the Directors to convene such a meeting shall be reimbursed to them by the Company.

The written requisition must state the purposes of the general meeting, signed by the Shareholders concerned and may consist of several documents in like form, each signed by one or more of those Shareholders.

If the requisition is in order, the Company Secretary will ask the Board to convene an EGM by serving sufficient notice in accordance with the statutory requirements to all the registered Members. On the contrary, if the requisition is invalid, the Shareholders will be advised of this outcome and accordingly, an EGM will not be convened as requested.

The notice period to be given to all the registered Members for consideration of the proposal raised by the shareholders concerned at EGM varies according to the nature of the proposal, as follows:

- at least twenty-one clear days' and not less than ten clear business days' notice in writing if the proposal constitutes a special resolution of the Company, which cannot be amended other than a mere clerical amendment to correct a patent error; and
- at least fourteen clear days' and not less than ten clear business days' notice in writing if the proposal constitutes an ordinary resolution of the Company.

Procedures for putting forward proposals at a general meeting

All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by the Bye-Laws or by the statutes of Bermuda. In the event of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

CORPORATE GOVERNANCE REPORT

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

Shareholders are one of our key stakeholders. The Board and senior management recognise their responsibilities to represent the interests and create long-term sustainable value for the shareholders.

The Company communicates to its shareholders through announcements and annual and interim reports published in its website <http://www.wtgl.hk>. Shareholders may put enquiries to the Board in writing sent to the principal office of the Company at Unit 803, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung. The Directors, the Company Secretary or other appropriate members of senior management respond to enquiries from shareholders promptly. All shareholders are also encouraged to attend general meetings of the Company to discuss matters relating to the Group. At general meetings of the Company, the Directors answer questions from the shareholders.

Under code provision Part 2 F.1.3 of the CG Code, the chairman of the board and the chairmen of all board committees or their delegates, appropriate management executives and external auditors should attend annual general meeting to answer shareholders' questions. Each of the resolutions was independent and was separately proposed to avoid bundling and the chairman of general meetings explained in details the procedures for conducting poll and answered questions from shareholders on voting by poll, if any. All the Board members attended the general meeting held on 8 May 2025.

Investor relations has always formed an important part of the Company's corporate governance. It provides two-way communication between management and the investment community and continually updates investors on the Company's latest business developments in a timely manner. The designated team also regularly provides management with market feedback and opinions from the investment community to improve the governance and operations of the Company.

DIVIDEND POLICY

The Company is committed to sharing financial results with shareholders while striking a balance with continuous development of its business. Given the current economic and financial conditions, the possible financial resources needed for business development, the Company does not expect to distribute any dividend in the near term since it intends to invest the capital into its core business. The Company believes that achieving a sustainable and profitable business would be its long-term objectives and a responsible way to enhance returns for its shareholders. A meaningful and predictable dividend policy, including a target dividend payout ratio, will then be addressed once this target is attained.

SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

During the year, there were no significant changes in constitutional documents of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SCOPE AND REPORTING BASIS

This is the ninth Environmental, Social and Governance (“**ESG**”) Report of Winning Tower Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”). This ESG Report covers the Group’s operations in Hong Kong, which primarily comprise wholesale and retail food trading and the processing of raw and cooked food products, unless otherwise stated.

This ESG Report is prepared with reference to the Environmental, Social and Governance Reporting Guide/ESG Code (the “**ESG Code**”) set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“**HKEX**”). It addresses the mandatory disclosure requirements as well as the “comply or explain” provisions under the Environmental and Social subject areas and takes into account the latest HKEX guidance on enhanced climate-related disclosures applicable to financial years commencing on or after 1 January 2025.

In preparing this report, the Group has applied the following reporting principles specified in the ESG Code: materiality, quantitative and consistency.

- **Materiality:** The Group has conducted a materiality assessment to identify ESG issues that are material to the Group and its stakeholders (see Section 3).
- **Quantitative:** The Group discloses quantitative KPIs and explains the calculation methodologies and assumptions where appropriate.
- **Consistency:** The Group adopts consistent disclosure and calculation methods to facilitate meaningful year-to-year comparison. Material changes, if any, will be disclosed and explained.

ESG GOVERNANCE AND BOARD STATEMENT

The Board of Directors (the “**Board**”) has overall responsibility for the Group’s ESG strategy and reporting, including oversight of climate-related risks and opportunities. The Board considers ESG matters as integral to the Group’s long-term development and risk management framework and reviews the ESG performance and report at least annually.

To assist the Board, the Group has established an ESG working group (the “**ESG Working Group**”) comprising senior management from key departments including production, logistics, human resources, finance and administration. The ESG Working Group is responsible for identifying and assessing material ESG issues, coordinating data collection, implementing ESG initiatives and reporting ESG performance and progress against targets to the Board.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Board, with the support of the ESG Working Group:

- Reviewed the Group's ESG risks and opportunities, including major climate-related risks.
- Oversaw the implementation of ESG-related policies and initiatives.
- Reviewed the ESG KPIs disclosed in this report and considered areas for further improvement.
- Approved this ESG Report for inclusion in the Group's annual report.

The Board will continue to strengthen ESG governance and align the Group's ESG practices with evolving regulatory requirements and market expectations, particularly in relation to climate-related disclosures.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group recognises that ongoing dialogue with stakeholders is essential to its sustainable development. Key stakeholder groups include shareholders and investors, employees, customers, suppliers and contractors, regulators and industry bodies, and community organisations.

The Group communicates with stakeholders through various channels such as general meetings, Board and management meetings, day-to-day communication, training and briefings, customer and supplier meetings, emails (including the dedicated ESG contact at info@winningtower.hk) and participation in community and charitable activities.

Taking into account stakeholder feedback and the Group's business nature, the Group has identified the following ESG topics as material:

- Environmental: air emissions and GHG emissions from fuel and electricity use, energy efficiency, water consumption and sewage discharge, waste management, use of packaging materials and climate-related risks.
- Social: employment practices, labour standards, health and safety, training and development, product quality and safety (including food safety), supply chain management and community investment.
- Governance: business ethics and anti-corruption, compliance with laws and regulations and ESG risk management.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL

A1. Emissions

The Group's environmental footprint primarily arises from fuel consumption by logistics trucks, purchased electricity for workshops and offices, water consumption and related sewage treatment, and non-hazardous waste generation.

A1.1 Types of Emissions and Respective Emissions Data

During the Reporting Period, the Group's truck fleet consumed 25,839 litres of fuel. The corresponding emissions data from gaseous fuel consumption are set out in the table below:

Gaseous	KG
NO _x	303
SO _x	0
PM	9

A1.2 Greenhouse Gas Emissions (Mandatory Disclosure – Scope 1 and Scope 2)

In line with the ESG Code's mandatory disclosure requirements, the Group reports its greenhouse gas ("GHG") emissions (in kg of CO₂ equivalent):

- Scope 1 (direct emissions from mobile combustion sources – road transport):

Gaseous	KG
CO ₂ Emission	67,543
CH ₄ Emission	4
N ₂ O Emission	2

- Scope 2 (energy indirect emissions from purchased electricity):

The Group's annual electricity consumption is 1,611,105 kWh.

Gaseous	KG
No _x	2,094.44
SO ₂	3,383.32
PM	161.11
CO ₂	886,107.75

(Greenhouse gas emissions were calculated based on the Group's electricity consumption and the applicable emission factors for Hong Kong electricity generation.)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (Continued)

A1. Emissions (Continued)

A1.2 Greenhouse Gas Emissions (Mandatory Disclosure – Scope 1 and Scope 2) (Continued)

During the Reporting Period, the Group recorded total greenhouse gas emissions (Scope 1 and Scope 2) of approximately 953,657 kg CO₂e. With reference to the Group's revenue this year, the Group's greenhouse gas emission intensity was approximately **7.8 tonnes CO₂e per HK\$ million revenue**.

The Group's annual fresh water consumption was 17,780 cubic metres and sewage discharge was 17,780 cubic metres, resulting in CO₂ emissions of 7,156.45 kg and 2,514.09 kg respectively as shown in the original table.

Gaseous	Fresh water processing	Sewage processing
CO ₂	7156.45	2514.09

A1.3 Hazardous Waste

The Group does not produce hazardous waste in its normal course of business.

A1.4 Non-hazardous Waste

Non-hazardous waste mainly comprises office paper and workshop paper, which are centrally collected by the building's property management company and recycled where practicable.

Gaseous	Office Paper KG	Workshop Paper KG
CO ₂	2,001.6	53,424

A1.5 Packaging Materials

The main packaging materials used by the Group are plastic and paper. During the Reporting Period, the Group consumed a total of 11.13 tonnes of paper packaging and 8.97 tonnes of plastic packaging.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (Continued)

A1. Emissions (Continued)

A1.6 Emission Reduction Measures and Results

To mitigate emissions and improve energy efficiency, the Group has implemented the following measures:

- Reducing the use of office and workshop lighting and air-conditioning during lunch hours and non-working periods.
- Encouraging employees to use double-sided and recycled paper for printing and to print only when necessary.
- Reminding logistics staff to comply with the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611) by switching off idling engines.
- Systematically retiring relatively less environmentally friendly trucks and considering fuel efficiency and environmental impact when purchasing new trucks.

A1.7 Waste Handling, Reduction Initiatives and Results

The Group's non-hazardous waste is centrally collected and disposed of by the building's management company. Where waste is recyclable, the management company arranges for recycling by qualified recyclers.

A2. Use of Resources

The Group seeks to use energy, water and materials efficiently in its operations. Key resources used include electricity, fuel, water and packaging materials.

Electricity and fuel consumption data are disclosed in Section A1.2 above. To improve resource efficiency, the Group:

- Uses energy-saving lighting (such as energy-saving bulbs and LED systems).
- Divides lighting and air-conditioning systems into different zones to switch off equipment in unused areas.
- Implements resource usage guidelines and reminds employees to turn off air-conditioners, lights and equipment when leaving the office.
- Prefers appliances with Grade 1 energy labels under the Mandatory Energy Efficiency Labelling Scheme where practicable.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

A. ENVIRONMENTAL (Continued)

A2. Use of Resources (Continued)

- Uses reusable trays where possible and arranges for recycling of waste paper and cartons.
- Encourages double-sided printing, use of recycled paper and returns used printer cartridges to vendors for recycling.
- Encourages customers to use bulk-packing to minimise materials used.

The Group aims to reduce electricity consumption intensity by 5% over the next three years through energy efficiency measures.

A3. The Environment and Natural Resources

The Group is aware that its operations may have impacts on the environment and natural resources and endeavours to operate in an energy-saving manner. The Group will continue to remind employees to adopt environmentally responsible practices and explore feasible initiatives to further reduce its environmental footprint.

A4. Climate Change

The Group recognises that climate change may pose physical and transition risks to its operations and supply chain. Extreme weather events such as typhoons and heavy rainstorms can disrupt production and logistics and may expose employees to safety risks.

To manage climate-related risks, the Group has:

- Identified key climate-related scenarios, including extreme weather events, as part of its risk assessment.
- Developed countermeasures and special work arrangements during severe weather in accordance with laws and regulations to safeguard employees' safety and maintain essential operations.
- Implemented energy-saving and emission-reduction measures described in Sections A1 and A2.
- Monitored regulatory developments regarding HKEX's enhanced climate-related disclosure requirements and will progressively enhance its climate-related governance, risk management and disclosure practices.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL

B1. Employment

The Group complies with applicable employment laws and regulations in Hong Kong, including the Employment Ordinance (Cap. 57). The Group clearly explains to employees the terms and conditions in their employment contracts, covering compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare.

The Group conducts annual performance appraisals during which supervisors assess employees' performance and identify areas for improvement. For job vacancies, the Group's policy is to give priority to internal candidates who are suitably qualified. The Group advocates equal opportunity and ensures that employees are not discriminated against based on sex, age, marital status, ethnic background, religion, nationality or disability.

B2. Health and Safety

The Group attaches great importance to occupational health and safety and is committed to providing a safe working environment. The Group has formulated an Operational Health and Safety Policy and regularly conducts internal safety training for employees in different roles to enhance their safety awareness and capabilities.

The Group complies with relevant health and safety laws and regulations, and regularly reviews and, where possible, improves safety measures. Its workshops hold food factory licences issued by the Food and Environmental Hygiene Department, and the necessary Fire Services Department certificates have been obtained. Workshops and offices are equipped with fire extinguishers, and fire escape routes are clearly indicated; employees participate in fire drills organised by the building management office as far as scheduling permits.

Employees are reminded to pay attention to their own safety and that of others and to promptly report any unsafe conditions to their supervisors.

B3. Development and Training

The Group encourages employees to pursue further education and training for their personal and professional development. The Group provides necessary training and education related to employees' job scopes, such as Food Safety Manager training programmes to equip staff with the skills required to support the Group's business development.

The Group offers both internal and external training opportunities and actively promotes effective corporate governance by arranging training and conferences for management and directors organised by professional associations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

B. SOCIAL (Continued)

B4. Labour Standards

The Group has a comprehensive recruitment procedure and strictly prohibits the employment of child or forced labour. Management is responsible for implementing and reviewing matters relating to recruitment, compensation, training and development and other employee welfare issues to ensure compliance with the Employment Ordinance and other applicable laws and regulations.

B5. Supply Chain Management

When selecting quality and reliable suppliers, the Group considers environmental and social performance as key evaluation criteria alongside product quality, stability of supply and pricing. The Group has standardised procedures for pricing and order flow and strives to maintain solid business relationships with customers and suppliers.

Suppliers are selected through periodic quotation procedures to ensure a stable supply of consistently high-quality products at fair and reasonable prices while minimising potential negative impacts on the environment and society.

B6. Product Responsibility

The Group endeavours to ensure that customers receive high-quality and satisfactory products. Its production plants are designed and operated with reference to ISO 22000, HACCP and Good Manufacturing Practice (“GMP”) principles to ensure strict food safety.

Management regularly reviews the Group’s production workflows and product safety policies. The Group places great value on customer feedback and maintains regular contact with customers to ensure their satisfaction and promptly address any concerns.

B7. Anti-corruption

The Group is committed to high standards of business integrity and complies with the Prevention of Bribery Ordinance (Cap. 201) and other applicable anti-corruption laws and regulations. The Group has established anti-corruption guidelines and a code of conduct that prohibit employees from soliciting or accepting any advantages or gifts from suppliers or customers without the Group’s permission.

Employees are reminded to abide by the law in the course of their employment. Directors review the internal policy annually and strengthen the Group’s risk management against corruption as appropriate; during the Reporting Period, there were no legal cases regarding corrupt practices brought against the Group or its employees.

B8. Community Investment

The Group is committed to giving back to society and encourages employees to participate in community and charitable services. During the Reporting Period, Winning Tower Group Limited donated 14,805 kilograms of edible surplus food to Food Angel, thereby supporting people in need and reducing food waste.

INDEPENDENT AUDITOR'S REPORT



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To the shareholders of Winning Tower Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Winning Tower Group Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 53 to 133, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “**Code**”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the key audit matter
Fair value measurement of leasehold land and buildings	
<p>Included in the Group's property, plant and equipment and right-of-use assets as at 31 December 2025 were the Group's owned buildings and leasehold land of HK\$22,580,000 and HK\$38,570,000 (collectively "Properties"), respectively, and were measured at fair value. The measurement of the fair value of the Properties requires management's significant judgements and estimates. Management appointed professional valuers to assess the valuation of the Properties and determined the fair value with reference to the valuation carried out by the external valuers.</p> <p>The accounting judgements and estimates and disclosures are included in notes 3, 14 and 15 to the financial statements.</p>	<p>We reviewed the competency, capability and objectivity of the external valuers appointed by management. We assessed the related data and assumptions being adopted, including unobservable inputs and other estimates, by comparing key valuation parameters, including the saleable unit rate per square foot, with market information. We also involved our internal valuation specialists to assist us in reviewing the valuation methodologies applied and key valuation parameters adopted in the valuation. We further assessed the disclosures related to the assumptions used in determining the fair value.</p>

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS (Continued)

Key audit matter	How our audit addressed the key audit matter
Impairment assessment on property, plant and equipment, and right-of-use assets	
<p>As at 31 December 2025, the Group had property, plant and equipment and right-of-use assets of HK\$24,540,000 and HK\$48,335,000, of which HK\$1,960,000 and HK\$9,765,000, respectively, were stated at cost less accumulated depreciation and impairment loss. In accordance with HKAS 36 <i>Impairment of Assets</i>, management is required to perform impairment assessment on those assets when an impairment indicator is identified, and impairment provision is required when the recoverable amount is lower than the respective carrying value. The recoverable amounts of the Group's underperforming cash-generating units ("CGUs") were determined based on value in use calculations using discounted cash flow projections. No impairment was recognised in profit or loss during the year to reduce the carrying amounts of property, plant and equipment to their estimated recoverable amounts.</p> <p>This matter was identified as a key audit matter as the impairment assessment process involved management's significant judgements and estimates.</p> <p>The accounting judgements and estimates and disclosures are included in notes 3, 14 and 15 to the financial statements.</p>	<p>Our audit procedures included, amongst others, evaluating the Group's policies and procedures to: (i) identify triggering events for potential impairment of assets related to the underperforming CGUs; and (ii) assess the impairment testing of assets under the underperforming CGUs.</p> <p>We also involved our internal valuation specialists to assist us in evaluating the assumptions, discount rate and methodologies used by the Group in the calculation of value in use using discounted cash flow projections. We compared the key assumptions used in the impairment assessment to the historical data of the Group, our understanding of the latest market information, economic conditions and the external data in a similar industry.</p>

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ki Wing Yee, Winnie (practising certificate number: P04736).

Ernst & Young
Certified Public Accountants
Hong Kong
19 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	5	123,028	108,520
Cost of inventories consumed		(77,026)	(61,792)
Other income and gains	6	573	3,720
Employee benefit expenses		(25,388)	(24,900)
Depreciation		(6,929)	(6,910)
Transportation and storage fee		(2,414)	(2,015)
Utilities and consumables		(4,122)	(4,204)
Rental and related expenses		(1,089)	(1,182)
Other operating expenses, net		(8,617)	(9,534)
PROFIT/(LOSS) BEFORE TAX FROM OPERATIONS		(1,984)	1,703
Finance costs	7	(220)	(258)
PROFIT/(LOSS) BEFORE TAX	8	(2,204)	1,445
Income tax credit/(expense)	11	171	(565)
PROFIT/(LOSS) FOR THE YEAR		(2,033)	880
Attributable to:			
Owners of the Company		(2,152)	296
Non-controlling interests		119	584
		(2,033)	880
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
– Basic and diluted (expressed in HK cents per share)	13	(0.15)	0.02

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
PROFIT/(LOSS) FOR THE YEAR		(2,033)	880
OTHER COMPREHENSIVE INCOME			
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Revaluation surplus/(deficit), net	14, 15	(7,729)	614
Deferred tax credited/(charged) to asset revaluation reserve	25	1,275	(101)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(6,454)	513
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		(8,487)	1,393
Attributable to:			
Owners of the Company		(8,606)	809
Non-controlling interests		119	584
		(8,487)	1,393

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	24,540	26,231
Right-of-use assets	15	48,335	51,193
Goodwill	16	–	–
Prepayments, deposits and other receivables	19	1,214	130
Deferred tax assets	25	2,019	1,634
Total non-current assets		76,108	79,188
CURRENT ASSETS			
Inventories	17	5,946	4,679
Trade receivables	18	15,022	11,795
Prepayments, deposits and other receivables	19	2,323	3,194
Due from related companies	20	3	36
Cash and cash equivalents	21	16,679	13,155
Total current assets		39,973	32,859
CURRENT LIABILITIES			
Trade payables	22	11,026	3,866
Other payables and accruals	23	7,675	7,090
Interest-bearing bank borrowings	24	383	372
Lease liabilities	15	3,898	2,888
Total current liabilities		22,982	14,216
NET CURRENT ASSETS		16,991	18,643
TOTAL ASSETS LESS CURRENT LIABILITIES		93,099	97,831
NON-CURRENT LIABILITIES			
Other payables and accruals	23	600	–
Interest-bearing bank borrowings	24	1,444	1,827
Lease liabilities	15	5,929	1,330
Deferred tax liabilities	25	5,397	6,458
Total non-current liabilities		13,370	9,615
Net assets		79,729	88,216

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	14,000	14,000
Reserves	27	68,192	76,798
		82,192	90,798
Non-controlling interests		(2,463)	(2,582)
Total equity		79,729	88,216

Lai King Wah
Director

Ho Timothy Kin Wah
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the Company										
	Notes	Share capital	Share premium	Merger reserve	Other reserve	Capital reserve	Asset revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000 (note 27)	HK\$'000 (note 27)	HK\$'000 (note 27)	HK\$'000 (note 27)	HK\$'000 (note 27)	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024		14,000	103,491	(36,733)	-	5,100	32,172	(25,800)	92,230	(5,374)	86,856
Profit for the year		-	-	-	-	-	-	296	296	584	880
Other comprehensive income/(loss) for the year:											
Revaluation surplus, net	14, 15	-	-	-	-	-	614	-	614	-	614
Deferred tax charged to asset revaluation reserve	25	-	-	-	-	-	(101)	-	(101)	-	(101)
Total comprehensive income for the year		-	-	-	-	-	513	296	809	584	1,393
Acquisition of non-controlling interests		-	-	-	(2,241)	-	-	-	(2,241)	2,208	(33)
At 31 December 2024		14,000	103,491*	(36,733)*	(2,241)*	5,100*	32,685*	(25,504)*	90,798	(2,582)	88,216

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Notes	Attributable to owners of the Company								Non-controlling interests	Total equity
		Share capital	Share premium	Merger reserve	Other reserve	Capital reserve	Asset		Total		
							revaluation reserve	Accumulated losses			
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
At 1 January 2025		14,000	103,491	(36,733)	(2,241)	5,100	32,685	(25,504)	90,798	(2,582)	88,216
Profit/(loss) for the year		-	-	-	-	-	-	(2,152)	(2,152)	119	(2,033)
Other comprehensive income/(loss) for the year:											
Revaluation deficit, net	14, 15	-	-	-	-	-	(7,729)	-	(7,729)	-	(7,729)
Deferred tax credited to asset revaluation reserve	25	-	-	-	-	-	1,275	-	1,275	-	1,275
Total comprehensive income/(loss) for the year		-	-	-	-	-	(6,454)	(2,152)	(8,606)	119	(8,487)
At 31 December 2025		14,000	103,491*	(36,733)*	(2,241)*	5,100*	26,231*	(27,656)*	82,192	(2,463)	79,729

* These reserve accounts comprise the consolidated reserves of HK\$68,192,000 (2024: HK\$76,798,000) in the consolidated statement of financial position as at 31 December 2025.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax		(2,204)	1,445
Adjustments for:			
Bank interest income	6	(48)	(155)
Finance costs	7	220	258
Depreciation of property, plant and equipment	8	2,155	2,985
Depreciation of right-of-use assets	8	4,774	3,925
Reversal of impairment of trade receivables, net	8	(147)	(100)
Loss on disposal of items of property, plant and equipment	8	5	6
Reversal of unutilised provision for reinstatement costs	8	–	(460)
Waiver of loan from a non-controlling shareholder	6	–	(2,450)
		4,755	5,454
Decrease/(increase) in inventories		(1,267)	933
Decrease/(increase) in trade receivables		(3,080)	4,227
Decrease/(increase) in prepayments, deposits and other receivables		(213)	2,373
Decrease/(increase) in amounts due from related companies		33	(2)
Increase/(decrease) in trade payables		7,160	(1,798)
Increase/(decrease) in other payables and accruals		1,185	(971)
		8,573	10,216
Cash generated from operations		8,573	10,216
Interest element of lease payments	7	(146)	(131)
		8,427	10,085
Net cash flows from operating activities		8,427	10,085
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		48	155
Purchases of items of property, plant and equipment	14	(558)	(606)
		(510)	(451)
Net cash flows used in investing activities		(510)	(451)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of a bank loan	34	(372)	(356)
Principal portion of lease payments	34	(3,947)	(5,003)
Decrease in loans from non-controlling shareholders	34	–	(900)
Interest paid		(74)	(127)
Acquisition of non-controlling interests		–	(33)
Net cash flows used in financing activities		(4,393)	(6,419)
NET INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		13,155	9,940
CASH AND CASH EQUIVALENTS AT END OF YEAR		16,679	13,155
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	16,679	10,078
Non-pledged time deposit with original maturity of less than three months when acquired	21	–	3,077
Cash and cash equivalents as stated in the consolidated statement of financial position		16,679	13,155

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands under the Companies Law 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 principal place of business of the Company is located at Flat 3, 8/F, Riley House, 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong.

The principal activity of the Company is investment holding. The Group is principally engaged in the processing and trading of raw, frozen and cooked food products (which includes the provision of transportation services) and the operation of a restaurant. In the opinion of the Company's directors, the ultimate holding company of the Company is Keyview Ventures Limited ("Keyview Ventures"), a company incorporated in the British Virgin Islands with limited liability.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place of incorporation and place of business	Issued ordinary share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Bliss View Limited	British Virgin Islands	US\$1	100%	–	Investment holding
Winning Tower Group Limited	Hong Kong	HK\$32,320,000	–	100%	Investment holding
Winning Tower Limited	Hong Kong	HK\$18,000,000	–	100%	Processing and trading of raw and frozen food products
Winning Star Foods Limited	Hong Kong	HK\$8,000,000	–	100%	Processing and trading of cooked food products
Jett Foods Asia Limited	Hong Kong	HK\$5,000,000	–	100%	Internet sales and trading of food products
Maxford Logistics Limited	Hong Kong	HK\$10,000	–	100%	Provision of transportation services
Winning Wings Limited ("Winning Wings")	Hong Kong	HK\$100	–	55%	Operation of a restaurant
Dynasty Time Limited	Hong Kong	HK\$10	–	100%	Dormant
Winning Tower Group NZ Limited	New Zealand	NZ\$100	–	100%	Dormant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for leasehold land and owned buildings held for the Group’s own use classified as right-of-use assets and property, plant and equipment, respectively, which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

Basis of consolidation (Continued)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in accounting policies and disclosures

The Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted in were exchangeable, the amendments did not have any impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 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 these financial statements. The Group intends to apply these new and amended HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ²
HKFRS 19 and its amendments	<i>Subsidiaries without Public Accountability: Disclosures</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ¹
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ¹
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ³
Amendments to HKAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> ²
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ¹

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual/reporting periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS Accounting Standards (Continued)

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards or IFRS Accounting Standards. HKFRS 19 was amended in April 2025 to include IFRS Accounting Standards in the eligibility criteria for applying the standard. The standard was further amended in October 2025 to (i) remove disclosure objectives from HKFRS 19; (ii) reduce the disclosure requirements relating to supplier finance arrangements and a specific class of financial liabilities; and (iii) replace disclosure requirements relating to management-defined performance measures with a cross-reference to HKFRS 18 for entities that use these measures. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19 and its amendments. Some of the Company's subsidiaries are considering the application of HKFRS 19 and its amendments in their specified financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of the initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.3 Issued but not yet effective HKFRS Accounting Standards (Continued)

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- **HKFRS 7 *Financial Instruments: Disclosures*:** The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 9 *Financial Instruments*:** The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. However, the amendments do not address how a lessee distinguishes between a lease modification as defined in HKFRS 16 and an extinguishment of a lease liability in accordance with HKFRS 9. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKFRS 10 *Consolidated Financial Statements*:** The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- **HKAS 7 *Statement of Cash Flows*:** The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value, which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or a liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Business combinations and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its leasehold land and owned buildings at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for non-financial asset is required (other than inventories and deferred tax assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g., a headquarters building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	Over the shorter of lease terms and useful lives ranging from 30 to 35 years
Leasehold improvements	14% to 25%
Furniture and fixtures	14% to 25%
Machinery and equipment	14% to 25%
Motor vehicles	25%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets related to buildings are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	30 to 35 years
Buildings	3 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When the right-of-use assets relate to interests in leasehold land, the corresponding right-of-use assets are initially measured at cost, and subsequently measured at fair value, in accordance with the Group’s policy for “property, plant and equipment”.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases of buildings (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For trade receivables that contain a significant financing component and lease receivables, the Group chooses as its accounting policy to adopt the simplified approach in calculating ECLs with policies as described above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, financial liabilities included in other payables and accruals, lease liabilities and interest-bearing bank borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on the estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred taxes assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Sale of food products

Revenue from the sale of food products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the food products.

Some contracts for the sale of food products provide customers with rights of return and volume rebates, giving rise to variable consideration.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of food products (Continued)

(i) Rights of return

For contracts which provide a customer with a right to return the goods within a specified period, the expected value method is used to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in HKFRS 15 on constraining estimates of variable consideration are applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, a refund liability is recognised. A right-of-return asset (and the corresponding adjustment to cost of inventories consumed) is also recognised for the right to recover products from a customer.

(ii) Volume rebates

Retrospective volume rebates may be provided to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the most likely amount method is used for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The requirements on constraining estimates of variable consideration are applied and a refund liability for the expected future rebates is recognised.

(b) Provision of transportation services

Revenue from the provision of transportation services is recognised over the scheduled period when the transportation services are rendered.

(c) Restaurant operation

Revenue from restaurant operation is recognised at the point in time (i) when the catering services to the customers are completed; or (ii) when control of the assets is transferred to the customer, generally on delivery of the food.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Right-of-return assets

A right-of-return asset is recognised for the right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the goods to be returned, less any expected costs to recover the goods and any potential decreases in the value of the returned goods. The Group updates the measurement of the asset for any revisions to the expected level of returns and any additional decreases in the value of the returned goods.

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Share-based payments

The Company operates a share option scheme. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“**Equity-Settled Transactions**”).

The cost of Equity-Settled Transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

The cost of Equity-Settled Transactions is recognised in employee benefit expenses, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for Equity-Settled Transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Share-based payments (Continued)

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees. Contributions are made based on a percentage of these employees’ basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

2. ACCOUNTING POLICIES (Continued)

2.4 Material accounting policies (Continued)

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has estimated tax losses of HK\$31,191,000 (2024: HK\$32,232,000) carried forward. These losses related to subsidiaries that have a history of losses, have not expired, and may not be used to offset taxable income elsewhere in the Group. The subsidiaries have neither any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Group has determined that it cannot recognise deferred tax assets on the tax losses carried forward.

Further details on deferred taxes are disclosed in note 25 to the financial statements.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Measurement of fair value of leasehold land and buildings

In the absence of current prices in an active market for similar properties, the Group considers information from a variety of sources, including:

- (a) reference to independent valuation;
- (b) current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences; and
- (c) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices.

Further details, including the key assumptions used for fair value measurement, are given in notes 14 and 15 to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18 to the financial statements.

Impairment of property, plant and equipment and right-of-use assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management estimates the expected future cash flows from the asset or cash-generating unit based on assumptions, as well as the overall market and economic conditions and chooses a suitable discount rate in a similar industry in order to calculate the present value of those cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) processing and trading of food products (which includes the transportation services); and
- (b) restaurant operation.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, income from waiver of loan from a non-controlling shareholder and non-lease-related finance costs are excluded from such measurement.

Segment assets exclude cash and cash equivalents as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings as the liabilities are managed on group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. SEGMENT INFORMATION (Continued)

(a) Operating segment information

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 December 2025 and 2024.

Segment revenue

	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment revenue (note 5)						
Sales to external customers	110,608	90,905	12,420	17,615	123,028	108,520
Intersegment sales	1,250	1,656	-	-	1,250	1,656
Total segment revenue	111,858	92,561	12,420	17,615	124,278	110,176
Reconciliation:						
Elimination of intersegment sales					(1,250)	(1,656)
Revenue					123,028	108,520
Segment results	(2,407)	(3,032)	229	1,999	(2,178)	(1,033)
Interest income					48	155
Waiver of loan from a non-controlling shareholder					-	2,450
Finance costs (other than interest on leases liabilities)					(74)	(127)
Profit/(loss) before tax					(2,204)	1,445
Income tax credit/(expense)					171	(565)
Profit/(loss) for the year					(2,033)	880

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. SEGMENT INFORMATION (Continued)

(a) Operating segment information (Continued)

Segment assets/liabilities

	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Segment assets	103,611	106,379	4,759	1,611	108,370	107,990
Reconciliation:						
Elimination of intersegment receivables					(8,968)	(9,098)
Corporate and other unallocated assets					16,679	13,155
Total assets					116,081	112,047
Segment liabilities	26,462	16,456	17,031	14,274	43,493	30,730
Reconciliation:						
Elimination of intersegment payables					(8,968)	(9,098)
Corporate and other unallocated liabilities					1,827	2,199
Total liabilities					36,352	23,831
Other segment information:						
Depreciation of items of property, plant and equipment	1,944	2,367	211	618	2,155	2,985
Depreciation of right-of-use assets	3,826	3,294	948	631	4,774	3,925
Reversal of impairment of trade receivables, net	(146)	(99)	(1)	(1)	(147)	(100)
Loss on disposal of items of property, plant and equipment	4	–	1	6	5	6
Additions of property, plant and equipment	554	545	4	61	558	606
Reversal of unutilised provision for reinstatement costs	–	–	–	(460)	–	(460)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

4. SEGMENT INFORMATION (Continued)

(b) Geographical information

Since all of the Group's revenue from external customers is generated from businesses conducted in Hong Kong and all of the Group's non-current assets are located in Hong Kong, no further analysis on the geographical information thereof is presented.

(c) Information about major customers

	2025 HK\$'000	2024 HK\$'000
Processing and trading of food products segment (which includes the transportation services) Customer A	46,099	39,718

5. REVENUE

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers	123,028	108,520

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

5. REVENUE (Continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

Segments	Processing and trading of food products (which includes the transportation services)		Restaurant operation		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Types of goods or services						
Sales of food products	110,528	90,820	–	–	110,528	90,820
Income from the provision of transportation services	80	85	–	–	80	85
Income from the operation of restaurants	–	–	12,420	17,615	12,420	17,615
Total	110,608	90,905	12,420	17,615	123,028	108,520
Timing of revenue recognition						
Goods transferred at a point in time	110,528	90,820	12,420	17,615	122,948	108,435
Services transferred over time	80	85	–	–	80	85
Total	110,608	90,905	12,420	17,615	123,028	108,520

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of food products

The Group sells goods to wholesalers and individual retailers. The performance obligation is satisfied upon delivery of the products and payment is generally due within 30 to 45 days from delivery. Some contracts provide customers with a right of return and volume rebates which give rise to variable consideration subject to constraint.

Restaurant operation

The performance obligation for restaurant operation is satisfied upon (i) completion of the services; or (ii) delivery of the food. Payment is generally due immediately or within 30 days from delivery.

Provision of transportation services

The performance obligation is satisfied over time as services are rendered and payment is generally due within 30 to 45 days from the date of billing.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

6. OTHER INCOME AND GAINS

	2025 HK\$'000	2024 HK\$'000
Bank interest income	48	155
Storage and handling income	447	382
Waiver of loan from a non-controlling shareholder	–	2,450
Others	78	733
Total	573	3,720

7. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on bank loans and overdrafts	74	127
Interest on lease liabilities	146	131
Total	220	258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2025 HK\$'000	2024 HK\$'000
Cost of inventories consumed	77,026	61,792
Depreciation of property, plant and equipment	2,155	2,985
Depreciation of right-of-use assets	4,774	3,925
Total depreciation	6,929	6,910
Rental and related expenses	1,089	1,182
Directors' remuneration (note 9)	5,326	4,748
Employee benefit expenses (excluding directors' remuneration (note 9)):		
Salaries, wages and other benefits	19,267	19,308
Pension scheme contributions (defined contribution scheme)*	795	844
Total employee benefit expenses	25,388	24,900
Auditor's remuneration [#]	1,250	1,238
Professional fee [#]	985	1,876
Insurance [#]	767	804
Repairing and maintenance [#]	1,586	1,313
Cleaning [#]	656	822
Loss on disposal of items of property, plant and equipment [#]	5	6
Reversal of impairment of trade receivables, net [#] (note 18)	(147)	(100)
Reversal of unutilised provision for reinstatement costs [#]	–	(460)

[#] These balances are included in "Other operating expenses, net" in the consolidated statement of profit or loss.

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on GEM ("GEM Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK\$'000	2024 HK\$'000
Fees	940	901
Other emoluments:		
Salaries, bonuses allowances and benefits in kind	4,350	3,811
Pension scheme contributions	36	36
Subtotal	4,386	3,847
Total fee and other emoluments	5,326	4,748

Name of director	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Performance related bonuses HK\$'000	Total HK\$'000
Year ended 31 December 2025					
Executive directors					
Mr. Lai King Wah (Chairman)	–	2,400	–	400	2,800
Mr. Lai Ho Yin Eldon (Chief executive officer)	–	480	18	–	498
Mr. Ho Timothy Kin Wah	–	1,020	18	50	1,088
Subtotal	–	3,900	36	450	4,386
Non-executive directors					
Mr. Yu Ting Hei	120	–	–	–	120
Ms. Ou Honglian	340	–	–	–	340
Mr. Zhong Yuhua	120	–	–	–	120
Subtotal	580	–	–	–	580
Independent non-executive directors					
Mr. Chau Chun Wai	120	–	–	–	120
Mr. Lam Lai Kiu Kelvin	120	–	–	–	120
Mr. Lo Sun Tong	120	–	–	–	120
Subtotal	360	–	–	–	360
Total	940	3,900	36	450	5,326

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

Name of director	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total HK\$'000
Year ended 31 December 2024				
Executive directors				
Mr. Lai King Wah (<i>Chairman</i>)	–	2,160	–	2,160
Mr. Lai Ho Yin Eldon (<i>Chief executive officer</i>)	–	711	18	729
Mr. Ho Timothy Kin Wah	–	940	18	958
Subtotal	–	3,811	36	3,847
Non-executive directors				
Mr. Yu Ting Hei	120	–	–	120
Ms. Ou Honglian	300	–	–	300
Mr. Wong Wang Leong*	60	–	–	60
Mr. Zhong Yuhua [#]	61	–	–	61
Subtotal	541	–	–	541
Independent non-executive directors				
Mr. Chau Chun Wai	120	–	–	120
Mr. Lam Lai Kiu Kelvin	120	–	–	120
Mr. Lo Sun Tong	120	–	–	120
Subtotal	360	–	–	360
Total	901	3,811	36	4,748

* Mr. Wong Wang Leong resigned as a non-executive director of the Company with effect from 28 June 2024.

[#] Mr. Zhong Yuhua was appointed as a non-executive director of the Company with effect from 29 June 2024.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2024: three directors), and details of whose remuneration are set out in note 9 above.

Details of the remuneration for the year of the remaining three (2024: two) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	2,306	1,456
Performance related bonuses	324	186
Pension scheme contributions	54	36
Total	2,684	1,678

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following band is as follows:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	3	2

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

11. INCOME TAX

Hong Kong profits tax has been calculated at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. No provision for Hong Kong profits tax has been made as the Group has available tax losses brought forward from prior years to offset the assessable profits generated during the year (2024:Nil).

	2025 HK\$'000	2024 HK\$'000
Deferred (note 25)	(171)	565

A reconciliation of the tax expense/(credit) applicable to profit/(loss) before tax at the statutory tax rate to the tax expense/(credit) at the effective tax rate, and a reconciliation of the applicable rate (i.e. the statutory tax rate) to the effective tax rate, are as follows:

	2025 HK\$'000	%	2024 HK\$'000	%
Profit/(loss) before tax	(2,204)		1,445	
Tax at the statutory tax rate	(364)	16.5	238	16.5
Income not subject to tax	(8)	0.4	(430)	(29.8)
Expenses not deductible for tax	120	(5.4)	288	19.9
Tax losses utilised from previous periods	(239)	10.8	(472)	(32.7)
Tax losses not recognised	67	(3.0)	598	41.4
Others	253	(11.5)	343	23.7
Tax charge/(credit) at the Group's effective rate	(171)	(7.8)	565	39.1

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

12. DIVIDEND

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: Nil).

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings/(loss) per share attributable to ordinary equity holders of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Earnings/(loss)		
Profit/(loss) for the year attributable to owners of the Company used in the basic earnings/(loss) per share calculation	(2,152)	296
	Number of shares	
	2025	2024
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings/(loss) per share calculation ('000)	1,400,000	1,400,000
Earnings/(loss) per share		
Basic (HK cent)	(0.15)	0.02

No adjustment has been made to the basic earnings/(loss) per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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14. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Machinery and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
31 December 2025						
Cost or valuation:						
At 1 January 2025	23,700	33,638	2,130	7,776	3,175	70,419
Additions	–	66	19	473	–	558
Disposals	–	–	(8)	(21)	–	(29)
Deficit on revaluation	(89)	–	–	–	–	(89)
Write-back on revaluation	(1,031)	–	–	–	–	(1,031)
At 31 December 2025	22,580	33,704	2,141	8,228	3,175	69,828
Accumulated depreciation and impairment:						
At 1 January 2025	–	32,920	2,069	6,024	3,175	44,188
Depreciation charged during the year (note 8)	1,031	634	49	441	–	2,155
Disposals	–	–	(4)	(20)	–	(24)
Write-back on revaluation	(1,031)	–	–	–	–	(1,031)
At 31 December 2025	–	33,554	2,114	6,445	3,175	45,288
Net book value:						
At 31 December 2025	22,580	150	27	1,783	–	24,540
An analysis of cost or valuation:						
At cost	–	33,704	2,141	8,228	3,175	47,248
At 2025 valuation	22,580	–	–	–	–	22,580
	22,580	33,704	2,141	8,228	3,175	69,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Buildings HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Machinery and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
31 December 2024						
Cost or valuation:						
At 1 January 2024	23,070	34,098	2,149	7,231	3,175	69,723
Additions	–	–	61	545	–	606
Disposals	–	(460)	(80)	–	–	(540)
Surplus on revaluation	1,591	–	–	–	–	1,591
Write-back on revaluation	(961)	–	–	–	–	(961)
At 31 December 2024	23,700	33,638	2,130	7,776	3,175	70,419
Accumulated depreciation and impairment:						
At 1 January 2024	–	31,991	2,014	5,518	3,175	42,698
Depreciation charged during the year (note 8)	961	1,389	129	506	–	2,985
Disposals	–	(460)	(74)	–	–	(534)
Write-back on revaluation	(961)	–	–	–	–	(961)
At 31 December 2024	–	32,920	2,069	6,024	3,175	44,188
Net book value:						
At 31 December 2024	23,700	718	61	1,752	–	26,231
An analysis of cost or valuation:						
At cost	–	33,638	2,130	7,776	3,175	46,719
At 2024 valuation	23,700	–	–	–	–	23,700
	23,700	33,638	2,130	7,776	3,175	70,419

At 31 December 2025, the Group's buildings held for own use with a net carrying amount of approximately HK\$17,460,000 (2024: HK\$18,330,000) were pledged to secure banking facilities granted to the Group (note 24).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

Valuation of buildings

At 31 December 2025, the Group's owned buildings in Hong Kong were revalued based on valuations performed by AVISTA Valuation Advisory Limited, independent professionally qualified valuers, at HK\$22,580,000 (2024: HK\$23,700,000). The valuations were based on comparable market transactions and evidence and the adjustments to reflect differences in transaction timing, location and tenure. Revaluation deficit of HK\$89,000 (2024: revaluation surplus of HK\$1,591,000) resulting from the above revaluation was charged (2024: credited) to the asset revaluation reserve.

Had such owned buildings been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK\$8,131,000 (2024: HK\$8,509,000) as at 31 December 2025.

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group discusses with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting. There has been no change from the valuation technique used in prior years. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

The fair values of the Group's owned buildings as at 31 December 2025 and 2024 were estimated by using significant unobservable inputs and the fair value measurement was categorised under Level 3. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Buildings HK\$'000
Carrying amount:	
At 1 January 2024	23,070
Surplus on revaluation	1,591
Depreciation charged during the year	(961)
At 31 December 2024 and 1 January 2025	23,700
Deficit on revaluation	(89)
Depreciation charged during the year	(1,031)
At 31 December 2025	22,580

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes: (Continued)

Valuation of buildings (Continued)

Below is a summary of the valuation technique used and the key input to the valuation of properties:

2025

Class of properties	Valuation technique	Significant unobservable input	Range of unobservable input
Hong Kong – Buildings – Industrial – Level 3	Market comparable method	Saleable unit rate per square foot*	HK\$1,381 to HK\$1,383

2024

Class of properties	Valuation technique	Significant unobservable input	Range of unobservable input
Hong Kong – Buildings – Industrial – Level 3	Market comparable method	Saleable unit rate per square foot*	HK\$1,450 to HK\$1,451

* The higher the saleable unit rate per square foot, the higher the value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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15. LEASES

The Group as a lessee

The Group has lease contracts of land and buildings used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 30 to 35 years, and no ongoing payments will be made under the terms of these land leases. Leases of buildings generally have lease terms of 3 years.

(a) *Right-of-use assets*

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold		Total HK\$'000
	land HK\$'000	Buildings HK\$'000	
As at 1 January 2024	51,430	2,426	53,856
Lease modification	–	2,239	2,239
Deficit on revaluation	(977)	–	(977)
Depreciation charged (note 8)	(2,143)	(1,782)	(3,925)
As at 31 December 2024 and 1 January 2025	48,310	2,883	51,193
Addition	–	147	147
Lease modification	–	9,409	9,409
Deficit on revaluation	(7,640)	–	(7,640)
Depreciation charged (note 8)	(2,100)	(2,674)	(4,774)
As at 31 December 2025	38,570	9,765	48,335

At 31 December 2025, the Group's leasehold land held for own use with a net carrying amount of approximately HK\$29,740,000 (2024: HK\$37,240,000) was pledged to secure banking facilities granted to the Group (note 24).

Valuation of land

At 31 December 2025, the Group's leasehold land in Hong Kong was revalued based on valuations performed by AVISTA Valuation Advisory Limited, independent professionally qualified valuers, at HK\$38,570,000 (2024: HK\$48,310,000). The valuations were based on comparable market transactions and evidence, and have also considered the adjustments to reflect differences in transaction timing, location and tenure. Revaluation deficit of HK\$7,640,000 (2024: HK\$977,000) resulting from the above revaluation was charged to the asset revaluation reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15. LEASES (Continued)

The Group as a lessee (Continued)

(a) *Right-of-use assets* (Continued)

Valuation of land (Continued)

Had such leasehold land been carried at historical cost less accumulated depreciation, their carrying amounts would have been approximately HK\$30,588,000 (2024: HK\$32,011,000) as at 31 December 2025.

Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's leasehold land. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group discusses with the valuer on the valuation assumptions and valuation results when the valuation is performed for financial reporting. There has been no change from the valuation technique used in prior years. In estimating the fair value of the leasehold land, the highest and best use of the leasehold land is their current use.

The fair values of the Group's leasehold land as at 31 December 2025 and 2024 were estimated by using significant unobservable inputs and the fair value measurement was categorised under Level 3. During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Leasehold land HK\$'000
Carrying amount:	
At 1 January 2024	51,430
Deficit on revaluation	(977)
Depreciation charged during the year	(2,143)
At 31 December 2024 and 1 January 2025	48,310
Deficit on revaluation	(7,640)
Depreciation charged during the year	(2,100)
At 31 December 2025	38,570

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15. LEASES (Continued)

The Group as a lessee (Continued)

(a) *Right-of-use assets* (Continued)

Valuation of land (Continued)

Below is a summary of the valuation technique used and the key input to the valuation of properties:

2025

Class of properties	Valuation technique	Significant unobservable input	Range of unobservable input
Hong Kong – Land – Industrial – Level 3	Market comparable method	Saleable unit rate per square foot*	HK\$2,255 to HK\$2,461

2024

Class of properties	Valuation technique	Significant unobservable input	Range of unobservable input
Hong Kong – Land – Industrial – Level 3	Market comparable method	Saleable unit rate per square foot*	HK\$2,825 to HK\$3,079

* The higher the saleable unit rate per square foot, the higher the value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15. LEASES (Continued)

The Group as a lessee (Continued)

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Carrying amount at 1 January	4,218	6,982
Addition	147	-
Accretion of interest recognised during the year	146	131
Payments	(4,093)	(5,134)
Lease modification	9,409	2,239
	9,827	4,218
Analysed into:		
Current portion	3,898	2,888
Non-current portion	5,929	1,330

The maturity analysis of lease liabilities is disclosed in note 33 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	146	131
Depreciation charge of right-of-use assets (note 8)	4,774	3,925
	4,920	4,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

15. LEASES (Continued)

The Group as a lessee (Continued)

(d) Variable lease payments

The Group leased properties which contain variable lease payment terms that are based on the Group's turnover generated from restaurants. There are also minimum monthly rental arrangements for these leases. In the current and prior years, no variable lease payments were recognised in profit or loss for these leases.

(e) The total cash outflow for leases is disclosed in note 34(b) to the financial statements.

16. GOODWILL

Goodwill acquired through business combinations had been allocated to the transportation services cash-generating unit ("Transportation services CGU") at HK\$185,000 and to the internet sales and trading of food products cash-generating unit ("Internet sales and trading of food products CGU") at HK\$2,117,000, all of which have been fully impaired in the year ended 31 December 2019.

17. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Food products	5,946	4,679

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

18. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables from:		
Third party customers	14,286	11,345
Related companies	1,001	862
	15,287	12,207
Impairment	(265)	(412)
Net carrying amount	15,022	11,795

The Group's trading terms with its customers are mainly on credit. The credit period is generally 30 days to 45 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise the credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

At 31 December 2025 and 2024, the Group had certain concentrations of credit risk that might arise from the exposure to the Group's total trade receivables as follows:

	2025	2024
Three largest customers	56%	69%
Largest customer	40%	37%

Particulars of the amounts due from related companies included in the trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
Yau Heng Frozen Meat & Food Company Limited ("Yau Heng")	646	671
Rong Zhi (Hong Kong) Company Limited ("Rong Zhi")	355	191
Total	1,001	862

The details of the above related companies are set out in note 30(a) to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

18. TRADE RECEIVABLES (Continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	10,956	6,851
1 to 2 months	3,526	3,828
2 to 3 months	540	1,116
Total	15,022	11,795

The movement in the loss allowance for impairment of trade receivables is as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	412	512
Reversal of impairment, net (note 8)	(147)	(100)
At end of year	265	412

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

18. TRADE RECEIVABLES (Continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2025

	Current	Past due			Total
		Less than 1 month	1 to 3 months	Over 3 months	
Expected credit loss rate	1.16%	7.80%	0.00%	100.00%	1.73%
Gross carrying amount (HK\$'000)	13,907	1,308	71	1	15,287
Expected credit losses (HK\$'000)	162	102	–	1	265

As at 31 December 2024

	Current	Past due			Total
		Less than 1 month	1 to 3 months	Over 3 months	
Expected credit loss rate	1.33%	6.81%	15.75%	0.00%	3.38%
Gross carrying amount (HK\$'000)	9,482	1,601	1,124	–	12,207
Expected credit losses (HK\$'000)	126	109	177	–	412

19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments	1,733	1,506
Deposits	1,804	1,788
Other receivables	–	30
Total	3,537	3,324
Less: Non-current portion	(1,214)	(130)
Current portion	2,323	3,194

Deposits and other receivables mainly represent deposits to suppliers and other receivables. The Group estimated the expected credit losses by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. As at 31 December 2025 and 2024, the Group estimated the loss rate of these balances to be minimal and no impairment in respect of these balances was made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

20. BALANCES WITH RELATED COMPANIES

Particulars of the balances with related companies are disclosed as follows:

	At 31 December 2025 HK\$'000	Maximum amount outstanding during the year HK\$'000	At 31 December 2024 HK\$'000	Maximum amount outstanding during the year HK\$'000	1 January 2024 HK\$'000
Due from related parties					
Rong Zhi	3	36	36	91	–
Yau Heng	–	–	–	34	34
	<u>3</u>		<u>36</u>		<u>34</u>

The details of the above related companies are set out in note 30(a) to the financial statements.

Balances with related companies are non-trade in nature, unsecured, interest-free and repayable on demand.

21. CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	16,679	10,078
Time deposit	–	3,077
Total	<u>16,679</u>	<u>13,155</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposit is made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

22. TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables to:		
Third party suppliers	11,021	3,327
Related companies		
– Rong Zhi	–	539
– Yau Heng	5	–
Total	11,026	3,866

An ageing analysis of the trade payables as at the end of the reporting period, based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	7,203	3,866
1 to 2 months	3,823	–
Total	11,026	3,866

The trade payables are non-interest-bearing and are normally settled on 30 to 60 days terms.

The details of the above related companies are set out in note 30(a) to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

23. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Other payables (note (a))	3,257	3,288
Accrued expenses	4,414	3,171
Refund liabilities	4	31
Provision for reinstatement costs (note (b))	600	600
Total	8,275	7,090
Less: Non-current portion	(600)	–
Current portion	7,675	7,090

Notes:

- (a) Included in other payables as at 31 December 2025 were an amount due to a non-controlling shareholder of HK\$31,000 (2024: HK\$49,000) and loans from a non-controlling shareholder of HK\$3,150,000 (2024: HK\$3,150,000). These balances are unsecured, interest-free and repayable on demand.

Other payables are non-interest-bearing and have an average term of two months.

- (b) The movements in the provision for reinstatement costs during the year are as follows:

	HK\$'000	
At 1 January 2025 and 31 December 2025	2025 HK\$'000	2024 HK\$'000
Analysed into:		
Current portion	–	600
Non-current portion	600	–

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to return its leased properties to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term as appropriate. The provision for reinstatement costs was estimated based on certain assumptions and estimates made by the Group's management with reference to historical reinstatement costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

24. INTEREST-BEARING BANK BORROWINGS

	2025			2024		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Bank loan – secured	3.00 below prime rate	2026	383	3.00 below prime rate	2025	372
Total – current			383			372
Non-current						
Bank loan – secured	3.00 below prime rate	2027–2030	1,444	3.00 below prime rate	2026–2030	1,827
Total			1,827			2,199

	2025 HK\$'000	2024 HK\$'000
Analysed into:		
Bank loan repayable:		
Within one year	383	372
In the second year	391	381
In the third to fifth years, inclusive	1,053	1,202
Beyond five years	–	244
Total	1,827	2,199

The bank loan of the Group is denominated in Hong Kong dollars. It is secured by the mortgages over the Group's leasehold land and owned buildings, which had an aggregate carrying value of HK\$47,200,000 (2024: HK\$55,570,000) (notes 14 and 15).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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25. DEFERRED TAX

The movements in deferred tax liabilities/(assets) during the year are as follows:

	Losses available for offsetting against future taxable profits HK\$'000	Accelerated/ (decelerated) tax depreciation HK\$'000	Revaluation of properties HK\$'000	Others HK\$'000	Total HK\$'000
At 1 January 2024	(1,811)	(333)	6,357	(55)	4,158
Deferred tax charged to the statement of profit or loss during the year (note 11)	406	148	–	11	565
Deferred tax charged to asset revaluation reserve during the year	–	–	101	–	101
At 31 December 2024 and 1 January 2025	(1,405)	(185)	6,458	(44)	4,824
Deferred tax credited to the statement of profit or loss during the year (note 11)	(111)	(44)	–	(16)	(171)
Deferred tax credited to asset revaluation reserve during the year	–	–	(1,275)	–	(1,275)
At 31 December 2025	(1,516)	(229)	5,183	(60)	3,378

The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax liabilities recognised in the consolidated statement of financial position	5,397	6,458
Net deferred tax assets recognised in the consolidated statement of financial position	(2,019)	(1,634)
Net deferred tax liabilities	3,378	4,824

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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25. DEFERRED TAX (Continued)

As at 31 December 2025, the Group has estimated tax losses arising in Hong Kong of approximately HK\$31,191,000 (2024: HK\$32,232,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets in respect of tax losses arising in Hong Kong of approximately HK\$22,002,000 (2024: HK\$23,718,000) have not been recognised as, in the opinion of the directors, it is not considered probable that future taxable profits will be available against which the tax losses can be utilised.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

26. SHARE CAPITAL

Details of the authorised and issued and fully paid share capital of the Company are summarised as follows:

	2025 HK\$'000	2024 HK\$'000
Authorised: 10,000,000,000 ordinary shares of HK\$0.01 each	100,000	100,000
Issued and fully paid: 1,400,000,000 ordinary shares of HK\$0.01 each	14,000	14,000

There were no movements in the Company's issued share capital during the years ended 31 December 2025 and 2024.

27. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 60 and 61 of the financial statements.

The merger reserve represented the differences between the nominal value of the shares issued by the Company and the share capital of a subsidiary by the Company pursuant to the group reorganisation completed on 10 February 2017.

The Group's other reserve represented the differences between the consideration for the acquisition of non-controlling interests during 2024 and the respective carrying values at the acquisition date.

The capital reserve represented the capital contributions from the shareholders of the Group in relation to listing expenses reimbursed to the Company during the year ended 31 December 2017.

The asset revaluation reserve comprised the changes in the values of leasehold land and owned buildings arising from revaluation.

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28. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

Details of the Group's subsidiary that has material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests: Winning Wings	45%	45%
	2025 HK\$'000	2024 HK\$'000
Profit for the year allocated to non-controlling interests: Winning Wings	119	790
Accumulated balance of non-controlling interests at the reporting date: Winning Wings	(2,463)	(2,582)

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

2025

	Winning Wings HK\$'000
Revenue	12,420
Total expenses	(12,156)
Profit for the year	264
Total comprehensive income for the year	264
Current assets	1,887
Non-current assets	4,649
Current liabilities	(9,018)
Non-current liabilities	(2,991)
Net cash flows from operating activities	1,455
Net cash flows used in investing activities	(3)
Net cash flows used in financing activities	(1,465)
Net decrease in cash and cash equivalents	(13)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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28. PARTLY-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Continued)

2024

	Winning Wings HK\$'000
Revenue	15,702
Total expenses	(13,947)
Profit for the year	1,755
Total comprehensive income for the year	<u>1,755</u>
Current assets	2,691
Non-current assets	710
Current liabilities	(9,142)
Non-current liabilities	<u>-</u>
Net cash flows from operating activities	3,197
Net cash flows used in investing activities	(55)
Net cash flows used in financing activities	<u>(4,054)</u>
Net decrease in cash and cash equivalents	<u>(912)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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29. CONTINGENT LIABILITIES

At the end of the reporting period, the Group had no significant contingent liabilities.

30. RELATED PARTY TRANSACTIONS

- (a) The directors are of the view that the following persons and entities were related parties that had material transactions or balances with the Group during the year:

Name of the related party	Relationship with the Group
Ms. leong Sok leng (“Ms. leong”)	Mother of Mr. Yu Ting Hei (“Mr. Yu”). Mr. Yu is a director of the Company and a shareholder of the Company.
Yau Heng	Mr. Yu, a director of the Company and a shareholder of the Company, and his family members including Ms. leong are beneficial shareholders of Yau Heng.
lao Ip Property Investment Limited (“lao Ip”)	Mr. Yu and his family members are beneficial shareholders of lao Ip.
Guangzhou Ge Yun	Mr. Zhong Yuhua (“Mr. Zhong”), a director of the Company during the year and an existing shareholder of the Company. Mr. Zhong is the beneficial shareholder of Guangzhou Ge Yun.
Rong Zhi	Ms. Ou Honglian (“Ms. Ou”), a director of the Company and a shareholder of the Company. Ms. Ou is the shareholder of Rong Zhi.
Wing’s Management Holdings Limited and its subsidiaries (“Wing’s Group”)	The ultimate shareholders of Wing’s Group are also the directors of the non-controlling shareholder of a subsidiary of the Company.
Ever Wardley Limited (“Ever Wardley”)	The ultimate shareholder of Ever Wardley Limited is also the director of the non-controlling shareholder of a subsidiary of the Company.
H & K Holdings Limited (“H&K”)	The ultimate shareholders of H & K Holdings Limited are also the directors of the non-controlling shareholder of a subsidiary of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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30. RELATED PARTY TRANSACTIONS (Continued)

(b) The Group had the following material transactions with related parties during the year:

	2025 HK\$'000	2024 HK\$'000
Yau Heng[^]		
Sales of goods	(7,862)	(8,157)
Purchases of goods	18	209
Transportation service income received	(80)	(85)
Guangzhou Ge Yun[^]		
Purchases of goods	–	240
Consumable expenses paid	–	2
Rong Zhi[^]		
Sales of goods	–	(757)
Purchases of goods	2,878	2,938
Consumable expenses paid	17	67
Ever Wardley[^]		
Sales of goods	(279)	(283)
Wing's Group[^]		
Sales of goods	(6,578)	(6,254)
Management fee and miscellaneous expense, net	471	555
lao Ip[^]		
Rental expense (note)	–	–
H&K[^]		
Licensing fee	120	236

[^] These related party transactions also constitute connected transactions or continuing connected transactions as defined in Chapter 20 of the GEM Listing Rules.

Note: The Group leased properties from lao Ip as food factory and warehouse. The monthly lease payables were charged with reference to market rates. Rental deposits of HK\$561,000 (2024: HK\$561,000) paid to lao Ip were included in the non-current (2024: current) portion of prepayments, deposits and other receivables as at 31 December 2025. Right-of-use assets of HK\$5,880,000 (2024: HK\$2,567,000) and lease liabilities of HK\$5,917,000 (2024: HK\$3,341,000) with respect to the leases were recognised in the consolidated statement of financial position as at 31 December 2025. During the year ended 31 December 2025, depreciation of right-of-use assets of HK\$1,676,000 (2024: HK\$1,175,000) and finance costs on lease liabilities of HK\$91,000 (2024: HK\$72,000) were charged to the consolidated statement of profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

30. RELATED PARTY TRANSACTIONS (Continued)

(b) (Continued)

The transactions with related companies were conducted on terms and conditions mutually agreed between the relevant parties.

(c) Compensation of key management personnel of the Group:

	2025 HK\$'000	2024 HK\$'000
Short term employee benefits	6,980	5,267
Post-employment benefits	90	186
Total compensation paid to key management personnel	7,070	5,453

Further details of directors' remuneration are included in note 9 to the financial statements.

31. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants for their contribution to the Group and/to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants of the Scheme include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder in the Company's subsidiaries. The Scheme became effective on 5 June 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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31. SHARE OPTION SCHEME (Continued)

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and such period shall not be more than ten years from the date of offer of the share options and the directors may at their discretion determine the minimum period for which the share options have to be held before the exercise of the share options.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of the grant of the share option, which must be a trading day; (ii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of the grant of the share option; and (iii) the nominal value of a share.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Scheme as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

No share options have been granted by the Company under the Scheme since its adoption and as such, no options have been exercised, lapsed or cancelled as at 31 December 2025 and 2024. There were no outstanding share options under the Scheme as at 31 December 2025 and 2024.

32. FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	Financial assets at amortised cost	
	2025 HK\$'000	2024 HK\$'000
Trade receivables	15,022	11,795
Financial assets included in prepayments, deposits and other receivables	1,804	1,818
Due from related companies	3	36
Cash and cash equivalents	16,679	13,155
Total	33,508	26,804

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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32. FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Continued)

(a) Financial instruments by category (Continued)

Financial liabilities

	Financial liabilities at amortised cost	
	2025 HK\$'000	2024 HK\$'000
Trade payables	11,026	3,866
Financial liabilities included in other payables and accruals	4,918	5,480
Lease liabilities	9,827	4,218
Interest-bearing bank borrowings	1,827	2,199
Total	27,598	15,763

(b) Fair value and fair value hierarchy of financial instruments

Management has assessed that the fair values of cash and cash equivalents, trade receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, balances with related companies and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's finance team is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance team reports directly to the executive directors and the audit committee. At each reporting date, the finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the executive directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents and interest-bearing bank borrowings. The Group has various other financial assets and liabilities such as trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, lease liabilities and balances with related companies, which arise directly from its operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The board of directors review and agree policies for managing each of these risks and they are summarised below.

Credit risk

Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December. The amounts presented are gross carrying amounts for financial assets.

As at 31 December 2025

	12-month	Lifetime ECLs			Total HK\$'000
	ECLs			Simplified	
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	approach HK\$'000	
Trade receivables*	–	–	–	15,287	15,287
Financial assets included in prepayments, deposits and other receivables – Normal**	1,804	–	–	–	1,804
Due from related companies – Normal**	3	–	–	–	3
Cash and cash equivalents – Not yet past due	16,679	–	–	–	16,679
Total	18,486	–	–	15,287	33,773

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2025

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit risk (Continued)

Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month	Lifetime ECLs			Total HK\$'000
	ECLs	Stage 1	Stage 2	Stage 3	
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	
Trade receivables*	–	–	–	12,207	12,207
Financial assets included in prepayments, deposits and other receivables – Normal**	1,818	–	–	–	1,818
Due from related companies – Normal**	36	–	–	–	36
Cash and cash equivalents – Not yet past due	13,155	–	–	–	13,155
Total	15,009	–	–	12,207	27,216

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 18 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables and amounts due from related companies are considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity risk

In order to manage liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group regularly reviews its major funding positions to ensure it has adequate financial resources in meeting its financial obligations.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year or on demand HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
2025				
Trade payables	11,026	–	–	11,026
Financial liabilities included in other payables and accruals	4,918	–	–	4,918
Lease liabilities	4,086	5,992	–	10,078
Interest-bearing bank borrowings	420	1,504	–	1,924
Total	20,450	7,496	–	27,946
	Within 1 year or on demand HK\$'000	1 to 5 years HK\$'000	Over 5 years HK\$'000	Total HK\$'000
2024				
Trade payables	3,866	–	–	3,866
Financial liabilities included in other payables and accruals	5,480	–	–	5,480
Lease liabilities	3,479	1,365	–	4,844
Interest-bearing bank borrowings	422	1,690	246	2,358
Total	13,247	3,055	246	16,548

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise the shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to the shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital. Net debt includes interest-bearing bank borrowing. Total capital represents equity attributable to owners of the Company. The gearing ratios as at the end of the reporting periods were as follows:

	2025 HK\$'000	2024 HK\$'000
Net debt (interest-bearing bank borrowings)	1,827	2,199
Equity attributable to owners of the Company	82,192	90,798
Gearing ratio	2.2%	2.4%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Loans from non-controlling shareholders HK\$'000	Interest- bearing bank borrowings HK\$'000	Lease liabilities HK\$'000
At 1 January 2024	6,500	2,898	6,982
Changes from financing cash flows	(900)	(356)	(5,003)
Bank overdrafts	–	(343)	–
Waiver of loan from a non-controlling shareholder	(2,450)	–	–
Interest expense	–	–	131
Interest paid classified as operating cash flows	–	–	(131)
Lease modification	–	–	2,239
At 31 December 2024 and 1 January 2025	3,150	2,199	4,218
Changes from financing cash flows	–	(372)	(3,947)
Interest expense	–	–	146
Interest paid classified as operating cash flows	–	–	(146)
Addition	–	–	147
Lease modification	–	–	9,409
At 31 December 2025	3,150	1,827	9,827

(b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2025 HK\$'000	2024 HK\$'000
Within operating activities	146	131
Within financing activities	3,947	5,003
Total	4,093	5,134

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(c) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of HK\$9,556,000 (2024: HK\$2,239,000) and HK\$9,556,000 (2024: HK\$2,239,000), respectively, in respect of lease arrangements for leased assets.

In the prior year, the Group had a waiver of loan from a non-controlling shareholder of a Group's subsidiary of HK\$2,450,000, which was settled through current account.

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSET		
Investment in a subsidiary	–	–
CURRENT ASSETS		
Prepayments	295	299
Due from subsidiaries	63,558	64,261
Cash and cash equivalents	635	360
Total current assets	64,488	64,920
CURRENT LIABILITIES		
Accruals	621	179
Due to subsidiaries	2,756	2,927
Total current liabilities	3,377	3,106
NET CURRENT ASSETS	61,111	61,814
Net assets	61,111	61,814
EQUITY		
Share capital	14,000	14,000
Reserves (note)	47,111	47,814
Total equity	61,111	61,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

A summary of the Company's reserves is as follows:

	Share premium HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	103,491	5,100	(59,065)	49,526
Loss and total comprehensive loss for the year	–	–	(1,712)	(1,712)
At 31 December 2024 and 1 January 2025	103,491	5,100	(60,777)	47,814
Loss and total comprehensive loss for the year	–	–	(703)	(703)
At 31 December 2025	103,491	5,100	(61,480)	47,111

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 19 March 2026.

FINANCIAL SUMMARY

For the year ended 31 December

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	123,028	108,520	108,383	93,299	86,006
Profit/(loss) before tax	(2,204)	1,445	(2,975)	(14,959)	(26,121)
Income tax credit/(expense)	171	(565)	(129)	1,396	(7)
Profit/(loss) for the year	(2,033)	880	(3,104)	(13,563)	(26,128)
Attributable to:					
Owners of the Company	(2,152)	296	(3,199)	(9,580)	(23,133)
Non-controlling interests	119	584	95	(3,983)	(2,995)
	(2,033)	880	(3,104)	(13,563)	(26,128)

At 31 December

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Assets and liabilities					
Total assets	116,081	112,047	120,628	132,144	153,843
Total liabilities	(36,352)	(23,831)	(33,772)	(42,268)	(48,477)
	79,729	88,216	86,856	89,876	105,366
Equity contributable to:					
Owners of the Company	82,192	90,798	92,230	95,345	106,852
Non-controlling interests	(2,463)	(2,582)	(5,374)	(5,469)	(1,486)
	79,729	88,216	86,856	89,876	105,366