China Asia Valley Group Limited
中亞烯谷集團有限公司

(Incorporated in Bermuda with limited liability)(於百慕達註冊成立之有限公司)
(Stock Code 股份代號：63)

OMO 商業模式

63

中亞烯谷

# 2025 Annual Report 年報

賦能·未來

# THINK AHEAD

壯麗中國夢 奮鬥烯谷年 中亞再出發

www.00063.cn

在烯谷，我們對新興科技充滿敬畏，
秉持公正、客觀的原則專注於科技推動美好生活的研究。
在烯谷，我們重視人才培養，不斷學習，
堅信只有更加專業的團隊才能更好的為您服務；
在烯谷，我們秉承彙聚智慧，成就價值理念為您賦能；
在烯谷，我們致敬匠心——始終堅信“工匠精神、持之以恒”，
致力於成為您專屬的商業決策智囊。

China Asia Valley Group Limited
中亞烯谷集團有限公司
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OMO 商業模式

## 立責於心，履責於行

中亞烯谷集團只為實現一個宏願：
以產報國、以民之益、以人為本為己任，
致力於實現讓創業開始無限可能的美好願景而不懈努力。

WWW.00063.cn

# Contents

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Huang Binghuang
*(Chairman and Chief Executive Officer)*
Ms. Xia Ping
Ms. Wang Lijiao

### Independent non-executive Directors

Mr. Duan Rihuang
Mr. Wang Rongfang
Mr. Tso Sze Wai

## COMPANY SECRETARY

Mr. Tam Chun Wa

## AUDITORS

Infinity CPA Limited
*Certified Public Accountants*
Room 1501, 15th Floor
Olympia Plaza
255 King's Road
North Point, Hong Kong

## LEGAL ADVISERS

Jeffrey Mak Law Firm
(as to Hong Kong Laws)

## REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

## PRINCIPAL OFFICE IN HONG KONG

Rooms 1237–1240, 12th Floor
Sun Hung Kai Centre
30 Harbour Road, Wanchai
Hong Kong

## SHARE REGISTRAR

Conyers Corporate Services
(Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
(appointed on 1 January 2025)

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

## LISTING INFORMATION

Stock Code: 63, Hong Kong

## WEBSITE

www.00063.cn

## AUTHORISED REPRESENTATIVES

Mr. Tam Chun Wa
Mr. Huang Binghuang

# Chairman’s Statement

On behalf of the board (the “Board”) of Directors (the “Director”) of China Asia Valley Group Limited (the “Company”), it is my pleasure to present to you the annual report of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025.

During the year ended 31 December 2025 (the “Year”), the Group continued to engage in property investment, provision of horticultural services and sales of plants, property management and other related services and provision of construction services.

Looking ahead, the Group targets to enhance our property management and other related services business which will boost the Group’s revenue and profit in future. The Group will further enhance its competitive edge and synergies of regional businesses in line with its development strategy of stable and steady operation, and enhance and consolidate its long-term competitiveness.

Following the completion of the Tenancy Agreement as disclosed in the Company’s circular dated 31 October 2023, the Company enjoyed a stable rental income and secure a cashflow stream from the Silicon Valley Industrial Park for the whole year. Furthermore, as said on the announcements dated 27 January 2026 and the supplementary announcement dated 17 March 2026, upon completion of capital injection into You Wei Industrial Co., Ltd (“You Wei”), the Company can transform itself into a role of a developer and long-term asset holder, and can in future benefit from capturing development profits, rental income and long-term capital appreciation.

On behalf of the Group, I would like to thank the effort from my fellow directors, senior management and employees of the Group during the year, and the trust and support from our shareholders, business partners and customers.

On behalf of the Board
**Huang Binghuang**
*Chairman and*
*Chief Executive Officer*

Hong Kong, 30 March 2026

# Management Discussion and Analysis

## BUSINESS AND FINANCIAL REVIEW

During the year ended 31 December 2025 (the "Year"), the Group continued to engage in property investment, provision of horticultural services and sales of plants, and property management and other related services and provision of construction services.

Revenue of the Group increased by HK$21,909,000 or 16.3% from HK$134,680,000 for the year ended 31 December 2024 to HK$156,589,000 for the Year, mainly due to increase in the rental income from leased properties under sub-lease arrangements, the property management and other related services, and was partially offset by the decrease from the income on the construction services.

## PROPERTY INVESTMENT

The Group has 30 units of investment properties in Hong Kong. Rental income derived from these investment properties increased by HK$758,000 or 10.7% from HK$7,096,000 for the year ended 31 December 2024 to HK$7,854,000 for the Year, mainly due to the increase in the average rental income per apartment unit.

The Group has about 260 leases of leased properties under sub-lease arrangements in the PRC. During the year rental income derived from these properties was HK$110,942,000 (2024: HK$81,887,000), mainly due to the full year recognition of rental income of leasing activities of the properties under sub-lease arrangement compared with 9 months in 2024.

## PROPERTY MANAGEMENT AND OTHER RELATED SERVICES

Since the year 2020, the Group continued to derive income from its property management and other related business with two China properties developers (i) Shenzhen Houting Yayuan Investment Co., Ltd.* (深圳市后亭雅苑投資有限公司) with the properties managed located at Shajing East to Songsha Road South to Neway Factory West to Zhongting Road North to Zhongting Road East Road, Bao'an District, Shenzhen* (深圳市寶安區沙井東至松沙路南至紐威廠西至中亭路北至中亭東路); (ii) Shenzhen Hongxing Yayuan Property Co., Ltd.* (深圳市紅星雅苑置業有限公司) with the properties manage located at Juncture of Songming Avenue and Baoan Avenue, Songgang Street, Bao'an District, Shenzhen* (深圳市寶安區松崗街道松明大道與寶安大道交匯處). The Group also engaged property management business with properties under management located at Shajing Centre, Shenzhen of the Guangdong — Hong Kong — Macao Greater Bay Area (粵港澳大灣區，深圳市沙井中心). During the Year, the Group recorded a revenue of HK$20,916,000 (2024: HK$16,312,000) from this business segment. The increase of HK$4,604,000 or 28.2% was mainly due to full year recognition of the management fee of the lease properties under the sub-lease arrangement in the PRC.

## CONSTRUCTION SERVICES

The Group provides construction services for buildings and related services in the PRC. Construction services revenue decreased by HK$13,173,000 or 57.0% from HK$23,108,000 for the year ended 31 December 2024 to HK$9,935,000 for the year mainly due to progressive completion of construction contract during the year.

* for identification purposes only

## HORTICULTURAL SERVICES AND SALES OF PLANTS BUSINESS

The Group also operates horticultural services and sales of plants business under the brand name of "Cheung Kee Garden", which has almost 50 years of history. Revenue from provision of horticultural services and sales of plants during the Year increased by HK$665,000 or 10.6% from HK$6,277,000 for the year ended 31 December 2024 to HK$6,942,000 for the Year.

## STAFF COSTS

Staff cost decreased by HK$1,181,000 or 7.1% from HK$16,562,000 for the year ended 31 December 2024 to HK$15,381,000 for the Year, mainly due to the decrease in the number of headcounts for the Year.

## PROPERTY INVESTMENT RELATED EXPENSES

Property investment related expenses was HK$14,418,000 for the year ended 31 December 2025 (2024: HK$13,024,000) represented the increase in payment of rental expense for HK$1,394,000 or 10.7% to the landlord for leasing services of leased properties under sub-lease arrangements in the PRC from April 2024 onwards.

## PROPERTY MANAGEMENT RELATED EXPENSES

Property management related expenses increased by HK$1,100,000 or 19.7% from HK$5,590,000 for the year ended 31 December 2024 to HK$6,690,000 for the Year, mainly due to full year operation of property management related services during the year.

## CONSTRUCTION SERVICES RELATED EXPENSES

Construction services related expenses was HK$6,603,000 for the year ended 31 December 2025 (2024: HK$18,674,000), represented a decrease of HK$12,071,000 or 64.6% which was in line with decrease in revenue derived from the construction service for buildings and related services in the PRC.

## OTHER OPERATING AND ADMINISTRATIVE EXPENSES

Other operating and administrative expenses increased by HK$3,949,000 or 51.1% from HK$7,730,000 for the year ended 31 December 2024 to HK$11,679,000 for the Year, mainly due to an increasing need of operating and administrative service to support the operations of the business during the Year.

## FINANCE COSTS

Finance costs represented interests on bank borrowings and lease liabilities. Finance costs increased by HK$1,729,000 or 7.3% from HK$23,704,000 for the year ended 31 December 2024 to HK$25,433,000 for the Year, mainly due to an increase in the interest paid in lease liabilities in the PRC for the Year.

## PROFIT FOR THE YEAR

For the Year, the Group recorded a profit of HK$10,191,000, as compared to a profit of HK$2,565,000 for the year ended 31 December 2024.

## CHARGE OVER THE GROUP'S ASSETS

The Group has pledged its investment properties as collateral for bank borrowings. As at 31 December 2025, the fair value of those pledged investment properties amounted to HK$371,000,000 (2024: HK$355,000,000).

Bank borrowings of HK$128,000,000 as at 31 December 2025 (2024: HK$144,000,000) are secured by (i) the investment properties in Hong Kong of HK$371,000,000 (2024: HK$355,000,000), (ii) a charge over deposits for the total principal amount of not less than HK$4,000,000 together with interest accrued thereon (2024: HK$4,000,000), (iii) bank deposits (excluding the charged portion) of not less than HK$7,000,000 (2024: HK$7,000,000), (iv) deposit of rental income from properties in Hong Kong to a designated bank account which is charged to the bank, and (v) maintenance of an occupancy rate of 60% or above in investment properties in Hong Kong (which, if fallen below 60%, shall be raised by the borrower to 60% or above within three months) (2024: 60%).

## MATERIAL EVENT AFTER THE END OF THE YEAR

Reference is made to the Company's announcement dated 4 Feb 2026 and supplementary announcement dated 17 March 2026. On 4 Feb 2026,the Group entered into the Capital Increase Agreement, with an independent parties on capital increase in You Wei. Upon completion of the capital increase, the Company will indirectly hold 66% of the You Wei through a wholly-owned subsidiary of the Company.

Save as disclosed above, the Group did not have any significant event after the Period and up to the date of this announcement.

## PROSPECTS

Looking ahead, the Group targets to enhance our property management and other related services business which will boost the Group's revenue and profit in future. The Group will further enhance its competitive edge and synergies of regional businesses in line with its development strategy of stable and steady operation, and enhance and consolidate its long-term competitiveness.

Following the completion of the Tenancy Agreement, the Company enjoyed a stable rental income and secure a cashflow stream from the Silicon Valley Industrial Park in future. Furthermore, as said on the announcements dated 27 January 2026 and supplementary announcement dated 17 March 2026, upon completion of capital injection into You Wei, the Company can transform itself into a role of a developer and long-term asset holder, and can in future benefit from capturing development profits, rental income and long-term capital appreciation.

## LIQUIDITY AND FINANCIAL RESOURCES

All the Group's funding and treasury activities are centrally managed and controlled at the corporate level. The Group's monetary assets and liabilities are denominated and the Group conducts its business transactions principally in Hong Kong dollars and Renminbi same as compare to last year.

As at 31 December 2025, there was outstanding bank borrowings in the principal sum of HK$128,000,000 (2024: HK$144,000,000). The Group's working capital requirements in 2025 were funded with bank borrowings, advances from its related parties and internal funds from Company's operation.

The repayment schedule of the bank borrowings are as follows:

| No. of installments | Principal repayment date | Repayment amount of each installment |
|---|---|---|
| 1st | 12 months after March 2023 | 10% of the original principal amount |
| 2nd | 24 months after March 2023 | 10% of the original principal amount |
| 3rd | 36 months after March 2023 | 10% of the original principal amount |
| 4th | 48 months after March 2023 | All the outstanding balance |

The Group has repaid the bank borrowings in the principal of HK$16,000,000 each March 2024 and March 2025 and March 2026 and left an outstanding of the principal of HK$112,000,000 as at the date of this report.

The Company has received written confirmation from its controlling shareholder that he will continue to provide financial support to the Company to meet all the obligations of the Company to the extent that it is unable to meet those obligations itself and the amount due to him would not demand for repayment for at least twelve months.

## EMPLOYEES

As at 31 December 2025, the Group had a total of 110 employees (2024: 141), including directors. Staff costs for the year ended 31 December 2025 amounted to approximately HK$15,381,000 (2024: HK$16,562,000).

## PLEDGE OF ASSETS

As at 31 December 2025, investment properties and bank deposits with an aggregate value of HK$383,959,000 (2024: HK$366,947,000) were pledged to the bank to secure bank borrowings granted to the Company.

## GEARING RATIO

Gearing ratio is calculated by dividing the sum of borrowings from third parties, related parties and lease liabilities by total equity and multiplied by 100%. As of 31 December 2025, the gearing ratio of the Group was 97% (31 December 2024: 106%).

## DIVIDEND POLICY

The Company has adopted a dividend policy (the "Dividend Policy"), pursuant to which the Company may distribute dividends to the shareholders of the Company by way of cash or shares. Any distribution of dividends shall be in accordance with the Bye-laws of the Company and the distribution shall achieve continuity, stability and sustainability. The recommendation of the payment of any dividend is subject to the absolute discretion of the Board, and any declaration of final dividend will be subject to the approval of the shareholders. In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's earnings per share, the reasonable return in investment of the investors and the shareholders in order to provide incentive to them to continue to support the Group in the long run, the financial conditions and business plan of the Group, and market sentiment and circumstances. The Dividend Policy will be reviewed from time to time and there is no assurance that a dividend will be proposed or declared in any specific periods.

## AUDIT COMMITTEE

As at the date of this announcement, the Audit Committee comprises three independent non-executive directors, namely Mr. Tso Sze Wai (Chairman), Mr. Duan Rihuong and Mr. Wang Rongfang. The purpose of the establishment of the Audit Committee is for reviewing and supervising the financial reporting system, risk management and internal control systems of the Group. The Audit Committee has reviewed, with no disagreement, the Group's financial statements for the year ended 31 December 2025.

The directors hereby present their report together with the audited financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 39 to the consolidated financial statements.

## EVENTS AFTER THE YEAR

Reference is made to the Company's announcement dated 4 Feb 2026 and supplementary announcement dated 17 March 2026. the Group entered into the Capital Increase Agreement, with an independent parties pursuant to witch the Company will subscribe for the newly increased registered capital of RMB77,647,100 (approximately HK$ 86,274,000) in You Wei, representing 66% of the enlarged capital of You Wei.

Save as disclosed above, the Group did not have any significant event after the Period and up to the date of this report.

## BUSINESS REVIEW

### Business review and prospects

A business and financial review of the Group's performance during the year ended 31 December 2025, the financial position and an indication of likely future development in the Company's business are set out in section headed "Management Discussion and Analysis" on pages 4 to 8 of this annual report.

### Principal risks and uncertainties

The major risks facing the Group are summarised below.

***Impact of local and international regulations***

The business operation of the Group is also subject to government policy, relevant regulations and guidelines established by the regulatory authorities. Failure to comply with the rules and requirements may lead to penalties, amendments or suspension of the business operation by the authorities. The Group closely monitors changes in government policies, regulations and markets as well as conducting studies to assess the impact of such changes.

***Third-party risk***

The Group has been relying on third-party service providers in parts of business to improve performance and efficiency of the Group. While gaining the benefits from external service providers, the management realizes that such operational dependency may pose a threat of vulnerability to unexpected poor or lapses in service including reputation damage, business disruption and monetary losses. To address such uncertainties, the Group engages only reputed third-party providers and closely monitors their performance or recruits qualified staff to provide such service.

## BUSINESS REVIEW (CONTINUED)

### Environmental policies and performance

The Company persistently strives to operate its business in an economic, social and environmentally sustainable manner. During the year, while seeking business growth, the Group assumed its corporate environmental and social responsibilities proactively by making constant progress towards sustainable development. The Group has developed and improved its environmental policies, optimised the efficiency in the use of energy and resources, advocated and promoted environmental protection and reduced the impact of its business development on the environment.

Details of the Company's environmental policy and performance are published in the separate Environmental, Social and Governance Report which is separately published on the Company's website and the website of the Stock Exchange at the same time as the publication of this report.

### Compliance with laws and regulations

The incorporation places of the Company and its subsidiaries includes Bermuda, Hong Kong, the British Virgin Islands (the "BVI") and the People's Republic of China. The Group's operations are carried out by the Company's subsidiaries in Hong Kong and Mainland China while the Company itself is listed on the Stock Exchange of Hong Kong Limited. Our establishment and operations accordingly shall comply with relevant laws and regulations of Bermuda, Hong Kong, Mainland China and the BVI. During the year ended 31 December 2025, we have complied with all the relevant laws and regulations in the statutory and business operation.

### Key relationships with employees, customers and suppliers

The Group promoted people-oriented management cultures and emphasised the value of employees as it believed employees were important resources for enhancing the Group's productivity and core competency. To provide employees with competitive remunerations and opportunities to receive skill trainings is closely connected to the realization of employees' individual values as well as the Group's strategic goals.

The Group maintained good cooperation and communications with suppliers and ensured both sides were mutually benefited. The Group also paid close attention to customers' satisfaction and constantly enhanced service quality in order to maintain good reputation of the Company.

## CONSOLIDATED FINANCIAL STATEMENTS

The results and cash flows of the Group for the year ended 31 December 2025 and the state of affairs of the Company and the Group at that date are set out in the consolidated financial statements on pages 41 to 115.

## DIVIDENDS

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2025.

As at the date of this annual report, the Directors were not aware of that any shareholders of the Company had waived or agreed to any arrangement to waive dividends.

## SUMMARY FINANCIAL INFORMATION

A summary of the results and of the assets and liabilities interests of the Group for the last five financial years is set out on the page 117 of this annual report.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group are set out in note 20 to the consolidated financial statements.

## SHARE CAPITAL

Details of the Company's share capital during the year are set out in note 31 to the consolidated financial statements.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

## RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

## DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution calculated in accordance with the provisions of the Companies Act 1981 of Bermuda (as amended) was Nil (2024: Nil).

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 36% (2024: 40%) of the total sales for the year and sales to the largest customer included therein amounted to 17% (2024: 17%).

Purchases from the Group's five largest suppliers accounted for 92% (2024: 79%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 91% (2024: 60%).

As far as the directors are aware, neither the directors, their close associates, nor those shareholders which to the knowledge of the directors own more than 5% of the Company's issued shares had any interest in the five largest customers and suppliers.

# Directors' Report

## DIRECTORS

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

**Executive directors:**
Mr. Huang Binghuang *(Chairman and Chief Executive Officer)*
Ms. Xia Ping
Ms. Wang Lijiao

**Independent non-executive directors:**
Mr. Duan Rihuang
Mr. Wang Rongfang
Mr. Tso Sze Wai

In accordance with the Company's Bye-law 84(1), Mr. Huang Binghuang and Ms. Wang Lijiao, will retire from office by rotation, being eligible, offer themselves for re-election as directors at the forthcoming annual general meeting.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and considers each of the independent non-executive Directors to be independent.

## DIRECTORS' SERVICE CONTRACTS

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

## PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-law 164(1), the directors, secretary and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices, provided that this indemnity shall not extend to any matter in respect of any wilful negligence, wilful default, fraud or dishonesty which may attach to any of said persons. Such provision was in force during the year ended 31 December 2025 and remained in force as of the date of this report as required by section 470 of the Hong Kong Companies Ordinance.

The Company had arranged for appropriate insurance cover in respect of legal actions against directors before the year 2022. However, since 2022, the company has not yet made this insurance arrangement as the Board considered that no suitable director liability insurance could be identified on the market which could provide adequate suitable security to the Directors.

## DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save for the share scheme as set out in the section headed "Share Schemes", at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares or debentures of the Company or any other body corporate; and none of the directors, or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year ended 31 December 2025.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year ended 31 December 2025 or subsisted at the end of the year.

## DIRECTORS' INTERESTS IN SHARES

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

### Long Positions in Shares and Underlying Shares of the Company:

| Name of director | Nature of interest | Number and class of shares held | Percentage (Note b) |
|---|---|---|---|
| Mr. Huang Binghuang (Note a) | Interest of controlled corporation | 3,812,395,735 ordinary shares | 60.01% |

Note:

(a) Mr. Huang Binghuang ("Mr. Huang") was deemed to be interested in the 3,812,395,735 shares held by China Asia Group Inc. as Mr. Huang directly holds 100% of the shares of China Asia Group Inc. ("CA Group").

(b) The percentage of interest in the Company is calculated by reference to the number of ordinary shares in issue as at 31 December 2024, that is 6,352,702,084 ordinary shares of the Company.

Save as disclosed above, as at 31 December 2025, none of the directors and the chief executive of the Company were, under Divisions 7 and 8 of Part XV of the SFO, taken to be interested or deemed to have any other interests or short positions in the shares, underlying shares or debentures of the Company, that were required to be entered into the register kept by the Company pursuant to section 352 of the SFO or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

## MANAGEMENT CONTRACTS

No contracts, other than a contract of service with any executive Director or any person engaged under the full-time employment of the Company, 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.

## SHARE SCHEMES

As at 31 December 2025, the Company did not have any share schemes and outstanding share options.

In order to offer flexibility to the remuneration structure of the Company and to attract talent, the Company may adopt a new share scheme, which will be subject to shareholder's approval at a general meeting to be convened in due course.

### Movement and option

There were no outstanding Options under the Scheme as at 1 January 2025. No Options were granted under the Scheme during the year ended 31 December 2025. No Options was vested, exercised, cancelled or lapsed under the scheme during the year ended 31 December 2025.

## DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in note 38 to the consolidated financial statements and the sub-section headed "Related Party Transactions" in this report, no transaction, arrangement or contract of significance to which the company, or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the company (or an entity connected with a director) or a controlling shareholder or any of its subsidiaries had a material interest, subsisted at the end of the year or at any time during the year.

## DISCLOSURE OF INFORMATION ON DIRECTORS

There is no change to the information of the Directors in Directors' Biographies as at the date of this annual report that is required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules.

## DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at general meetings every year. Other emoluments are determined by the Board on the recommendation of the Remuneration Committee with reference to Directors' duties, responsibilities and performance, the prevailing market rate and the results of the Group. No Director or any of his or her associates was involved in deciding his or her own remuneration.

## CONNECTED TRANSACTIONS

### Tenancy Agreement

On 6 June 2023, Shenzhen Zhongya Industry Operation Co., Ltd.* (深圳市中雅產業運營有限公司 (the "PRC Subsidiary"), a wholly-owned subsidiary of the Company (as tenant), and Shenzhen Tanggang China Asia Electronic City Group Co., Ltd.* (深圳市坣崗中亞電子城集團有限責任公司, "China Asia Electronic") (as landlord), entered into the Tenancy Agreement for the lease of an aggregate area of 350,855 square-metres at the Silicon Valley Industrial Park for a total rent of approximately RMB1,413.4 million (equivalent to approximately HK$1,526.5 million) for a term of 10 years commencing upon completion. The Tenancy Agreement was supplemented by a supplemental tenancy agreement entered into by the parties on 12 October 2023.

Mr. Huang Binghuang is a controlling shareholder of the Company who indirectly through CA Group held 60.01% of the Shares. Accordingly, Mr. Huang and China Asia Electronic are connected persons of the Company under Chapter 14A of the Listing Rules.

The Tenancy Agreement and the transaction contemplated thereunder was completed during the year and constituted a very substantial acquisition of the Company and a connected transaction of the Company, and were subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules.

The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules during the year.

* *The Company name in English is not the official name but a translation for reference only*

## RELATED PARTY TRANSACTIONS

Details of transactions between the Group and parties regarded as "Related Parties" under applicable accounting principles are set out in note 38 to the consolidated financial statements. No transaction disclosed thereto constitutes connected transaction or continuing connected transaction of the Company subject to, among other things, reporting, announcement or independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2025, none of the Directors or any of their respective close associates (as defined in the Listing Rules) had any interest in a business that competes or may compete, either directly or indirectly, with the business of the Group.

## SUBSTANTIAL SHAREHOLDERS' INTEREST IN SHARES

As at 31 December 2025, the interests or short positions of the following substantial shareholders (other than persons who were directors and chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO, were as follows:

### Long positions in shares and underlying shares of the company:

| Name of Shareholder | Nature of interest | Number and class of shares held | Percentage |
|---|---|---|---|
| China Asia Group Inc. (Note 1) | Beneficial Owner | 3,812,395,735 ordinary shares | 60.01% |
| Li Jun (Note 2) | Interest of Controlled Corporation | 951,500,000 ordinary shares | 14.98% |
| Zhongjun Holding Group Company Limited (中軍控股集團有限公司) (Note 2) | Beneficial Owner | 951,500,000 ordinary shares | 14.98% |
| Xiong Guoqiang (Note 3) | Interest of Controlled Corporation | 597,600,000 ordinary shares | 9.41% |
| Xuhong International Corporation (旭宏國際有限公司) (Note 3) | Beneficial Owner | 597,600,000 ordinary shares | 9.41% |

Note:

1. Mr. Huang Binghuang ("Mr. Huang") was deemed to be interested in the 3,812,395,735 shares of the Company as Mr. Huang held 100% equity interest of China Asia Group Inc., which held 3,812,395,735 shares of the Company.

2. As Mr. Li Jun held 100% equity interest of Zhongjun Holding Group Company Limited (中軍控股集團有限公司) ("Zhongjun"), he was deemed to be interested in the 951,500,000 shares of the Company held by Zhongjun by virtue to Part XV of the SFO.

3. As Mr. Xiong Guoqiang held 100% equity interest of Xuhong International Corporation (旭宏國際有限公司) ("Xuhong"), he was deemed to be interested in the 597,600,000 shares of the Company held by Xuhong by virtue to Part XV of the SFO.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any other persons (other than persons who were directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

## LOAN AGREEMENT

1. On 25 August 2022, the Company was approved by the bank that the bank loans for an extension of a half year and a further a half year.

2. On 14 March 2023, the Company has drawn the renewed bank loans which should be fully repaid within 48 months from drawdown date as follows:

   The repayment schedule of the bank borrowings are as follows:

| No. of installments | Principal repayment date | Repayment amount of each installment |
|---|---|---|
| 1st | 12 months after March 2023 | 10% of the original principal amount |
| 2nd | 24 months after March 2023 | 10% of the original principal amount |
| 3rd | 36 months after March 2023 | 10% of the original principal amount |
| 4th | 48 months after March 2023 | All the outstanding balance |

As at 31 December 2025, there was outstanding bank loans in the original principal amount of HK$128,000,000 (2024: HK$144,000,000).

The Group has repaid the bank borrowings in the principal of HK$16,000,000 each March 2024, March 2025, and March 2026.

## PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

# Directors' Report

## ISSUE OF CONVERTIBLE BOND

During the year ended 31 December 2024, the Company issued the convertible bond in the aggregate principal amount of HK$353,360,000 at an interest rate of 3.6% per annum for 3,533,600,000 shares. Subsequent to the issuance of the Convertible Bond, the Subscribers converted all the Convertible Bonds and 3,533,600,000 shares of the Company have then been issued. The owners of all ordinary shares including the Conversion Shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at the meeting of the Company. All ordinary shares including the Conversion Shares rank equally with regard to the Company's residual assets.

## PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the directors, as at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules.

## DONATIONS

During the year, the Group had not made any charitable donations.

## AUDITORS

The consolidated financial statements of the Company for the year ended 31 December 2025 were audited by Infinity CPA Limited ("Infinity"). Infinity shall retire as auditor of the Company at the forthcoming annual general meeting and shall be subject to appointment by the shareholders. A resolution for the re-appointment of Infinity as auditor of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Huang Binghuang**
*Chairman*

Hong Kong, 30 March 2026

## CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and other stakeholders and enhance shareholder value. The principle of the Company's corporate governance is to promote effective internal control and risk management measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects, and to ensure that its affairs are conducted in accordance with applicable laws and regulations. The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value and formulate its business strategies and policies.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company's code on corporate governance practices was adopted by reference to the provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules. The Company conducts regular reviews of its corporate governance practices to ensure compliance with the CG Code. For the year ended 31 December 2025 (the "Year"), the Company has complied with all the Code Provisions set out in the CG Code except for the following:

### Deviation from Code Provision C.2.1 of the CG Code

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The role of chief executive officer was performed by Mr. Huang Binghuang, who was also the chairman of the Company for the Year. The Board believes that vesting the roles of both chairman and chief executive officer in the same person facilitates the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from Code Provision C.2.1 of the CG Code is appropriate in such circumstance. In addition, it is considered that the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders.

The Board will periodically review the merits and demerits of such management structure and will adopt such appropriate measures as may be necessary in the future taking into consideration of the nature and extent of the Group's operation.

## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code in Appendix C3 to the Listing Rules. Following specific enquiry by the Company, all directors confirmed that they have complied with the required standards as set out in the Model Code throughout the Year.

# Corporate Governance Report

## BOARD OF DIRECTORS

### Composition of the Board of Directors

The composition of the Board during the Year and up to the date of this Report was as follows:

***Executive directors:***

Mr. Huang Binghuang *(Chairman)*
Ms. Xia Ping
Ms. Wang Lijiao

***Independent non-executive directors:***

Mr. Duan Rihuang
Mr. Wang Rongfang
Mr. Tso Sze Wai

The Directors have no other financial, business, family or other material/relevant relationship with each other.

During the Year, the Board held eight meetings. The following table shows the attendance of each individual member of the Board at the respective meetings of the Board and the respective Board Committees as well as two general meetings held during the Year.

| Name of Directors | Board Meeting | Audit Committee Meeting | Remuneration Committee Meeting | Nomination Committee Meeting | General Meeting |
|---|---|---|---|---|---|
| *Executive directors:* | | | | | |
| Mr. Huang Binghuang | 4/4 | N/A | N/A | 2/2 | 1/1 |
| Ms. Xia Ping | 4/4 | N/A | 1/1 | N/A | 1/1 |
| Ms. Wang Lijiao | 4/4 | N/A | N/A | 2/2 | 1/1 |
| *Independent non-executive directors:* | | | | | |
| Mr. Duan Rihuang | 4/4 | 2/2 | 1/1 | 2/2 | 1/1 |
| Mr. Wang Rongfang | 4/4 | 2/2 | 1/1 | 2/2 | 1/1 |
| Mr. Tso Sze Wai | 4/4 | 2/2 | N/A | 2/2 | 1/1 |

In addition, the Chairman of the Board held a meeting with the independent non-executive directors without the presence of executive directors during the year under review.

## BOARD OF DIRECTORS (CONTINUED)

### Functions of the Board

The Board supervises the management of the business and affairs of the Company and its subsidiaries (the "Group"). Apart from its statutory duties, the Board reviews and approves the Group's strategic plans, key operational initiatives, major investments and funding decisions, annual business plans, reviews the financial performance of the Group and evaluates the performance and compensation of senior management personnel.

The Board provides leadership, approves major policies, reviews and monitors the business performance of the Group, approves major funding and investment proposals, as well as the consolidated financial statements of the Group. Day-to-day management, administration and operation of the Company are delegated to the executive Directors and senior management.

Guidelines are established which specify certain material transactions that require the Board's approval which include mergers and acquisitions, divestments and major capital expenditure.

The Board has separate and independent access to management and the company secretary. Management provides the Board with reports of the Group's performance, financial position and prospects, and these are reviewed by the Board at Board meeting. Directors may obtain independent professional advice in furtherance of their duties at the Group's expense.

### Board Independence

The Group has established mechanisms to ensure that independent views and input are available to the Board and such mechanisms will be reviewed annually by the Board:

- At least one-third of the Board are independent non-executive directors in compliance with the Listing Rules requirements, and the Company will assess the independence of the independent non-executive Directors on at least an annual basis.

- The Nomination Committee will assess the independence of a candidate who is nominated to be a new independent non-executive Directors before appointment and the continued independence of the current long-serving independent non-executive Directors 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 3.13 of the Listing Rules.

- All Directors and committees of the Board are entitled to retain independent professional advisors as and when it is required.

- All Directors are encouraged to express their views in an open and candid manner during the Board/ Board committee meetings.

- The Chairman of the Board will meet with the independent non-executive Directors at least annually without the presence of the executive Directors.

## BOARD OF DIRECTORS (CONTINUED)

### Board Independence (Continued)

- A Director (including independent non-executive Directors) 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.

- No equity-based remuneration with performance-related elements will generally be granted to independent non-executive Directors.

The Board would review the implementation and effectiveness of the above mechanisms on an annual basis.

### Directors' continuous professional development

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills.

During the Year, all directors received briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to rules and regulations applicable to the Company were provided to them. The Company has received from each of Directors the confirmation on and training record of taking continuous professional training.

| | **Reading regulatory updates and materials** | **Attending seminars/ briefings** |
|---|---|---|
| *Executive directors:* | | |
| Mr. Huang Binghuang | ✔ | ✔ |
| Ms. Xia Ping | ✔ | ✔ |
| Ms. Wang Lijiao | ✔ | ✔ |
| | | |
| *Independent non-executive directors:* | | |
| Mr. Duan Rihuang | ✔ | ✔ |
| Mr. Wang Rongfang | ✔ | ✔ |
| Mr. Tso Sze Wai | ✔ | ✔ |

## CHAIRMAN

During the Year, Mr. Huang Binghuang performs the role of the Chairman of the Company. Mr. Huang Binghuang focuses on formulating the corporate direction and strategies of the Company. The Chairman is responsible for leading the Board, and facilitating the business of the Board and the effectiveness of individual Director, both during and outside Board meetings. The Chairman plays a key role in the development of the Group's strategy and in ensuring management succession. Mr. Huang Binghuang is also the chief executive officer of the Company, in which position he is responsible to lead executive management of the Group, taking overall responsibilities for the supervision and the conducts of the Company's business and its ordinary operations.

## NON-EXECUTIVE DIRECTORS

All the non-executive and independent non-executive directors have entered into letters of appointment with the Company for a term of three years subject to the requirements of the Listing Rules and the Bye-laws of the Company, including the requirement of retirement by rotation and re-election or standing for re-election at annual general meetings of the Company at least once every three years.

## LEAD INDEPENDENT NON-EXECUTIVE DIRECTOR

In accordance with the amended mandatory disclosure requirement under the Listing Rules, the Board is in the process of appointing a Lead Independent Non-executive Director.

The intended candidate is Mr. Tso Sze Wai, who serves as the Chairman of the Audit Committee. Relevant arrangement will be further confirmed and disclosed in the interim report of the Group.

## BOARD COMMITTEES

### Audit committee

The Company established an audit committee (the "Audit Committee") with written terms of reference available on the Stock Exchange's website and the Company's website. The audit committee is responsible for reviewing and monitoring the financial reporting process and internal control system of the Company, maintaining an appropriate relationship with external auditors and shall assist the Board to fulfill its responsibility over the audit process.

During the Year, the Audit Committee comprises all independent non-executive directors of the Company as follows:

Mr. Tso Sze Wai *(Chairman of the Audit Committee)*
Mr. Duan Rihuang
Mr. Wang Rongfang

## BOARD COMMITTEES (CONTINUED)

### Audit committee (Continued)

During the Year, the Audit Committee met two occasions with the presence of external auditors and discharged its responsibilities in its review of the interim and annual results and one occasion for the appointment of external auditor. The work performed by the Audit Committee for the Year included reviewing and discussion of the following:

a. the consolidated financial statements for the year ended 31 December 2024 and the interim results of the Group for the six months ended 30 June 2025 of the Group, with a recommendation to the Board for approval;

b. the appointment of the external auditor, the remuneration and terms of engagement of external auditor, with a recommendation to the Board for approval;

c. the risk management and internal control system of the Group;

d. the audit process and its effectiveness, audit fees and independence and objectivity of the external auditors for the Year, with a recommendation to the Board for approval; and

e. the compliance status of the Group with the Listing Rules and legal requirements in relation to financial reporting.

### Remuneration committee

The Company established a remuneration committee (the "Remuneration Committee") with written terms of reference available on the Stock Exchange's website and the Company's website. The primary responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration policy and structure relating to all directors and senior management of the Company. It shall also assess the performance of executive Directors and make recommendations to the Board on the remuneration packages of individual executive Director and senior management, as well as review and/or approve matters relating to share schemes of the Company.

During the Year, the Remuneration Committee comprises one executive director and two independent non-executive directors of the Company, they are as follows:

Mr. Wang Rongfang *(the Chairman of the Remuneration Committee)*
Ms. Xia Ping
Mr. Duan Rihuang

During the Year, the Remuneration Committee held one meeting and preformed the work included the followings:

a. reviewing and discussing the remuneration package of the existing directors of the Company, with reference to the performance of such Directors; and

b. making recommendation of new remuneration packages of the directors and communicating to the Board.

## BOARD COMMITTEES (CONTINUED)

### Remuneration committee (Continued)

The Remuneration Committee is tasked within its term of reference to review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules. The remuneration policy and package of the Group's employees are periodically reviewed by the remuneration committee. The Remuneration Committee has reviewed the remuneration policy and package of the Group, including an assessment of individual performance, attractiveness of the rewards offered by the Company, talent retention and incentivization, the financial condition and performance of the Group. No share options were recommended to be awarded by the Remuneration Committee during the Year.

The remuneration of directors is determined with reference to their duties and responsibilities, market conditions and performance of the Group. Details of emoluments of directors for the Year are set out in note 14 to the consolidated financial statements.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of senior management by band for the Year is set out below:

| **In the board of** | **Number of individuals** |
|---|---|
| Nil to HK$1,000,000 | 3 |

### Nomination committee

The Company established a nomination committee (the "Nomination Committee") with written terms of reference available on the Stock Exchange's website and the Company's website with its terms of reference revised on 20 June 2025. The primary responsibilities of the Nomination Committee are to review the structure, size, composition and diversity of the Board on a regular basis and to make recommendations to the Board the suitable candidates for directorship after consideration of the nominees' independence and quality in order to ensure fairness and transparency of all nominations.

During the Year, the Nomination Committee comprises two executive director and three independent non-executive directors of the Company, they are as follows:

Mr. Huang Binghuang *(the Chairman of the Nomination Committee)*
Mr. Duan Rihuang
Mr. Wang Rongfang
Ms. Wang Lijiao (appointed on 19 June 2025)
Mr. Tso Sze Wai (appointed on 19 June 2025)

## BOARD COMMITTEES (CONTINUED)

### Nomination committee (Continued)

During the Year, the Nomination Committee held 2 meetings and preformed the work included the followings:

a. reviewing the structure, size, composition and diversity (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) of the Board;

b. reviewing the new appointment of the executive director and the independent non-executive directors;

c. reviewing the re-appointment of retiring directors for re-election;

d. assessing the independence of the independent non-executive directors; and

e. making recommendation to the Board on the appointment of director.

## NOMINATION POLICY

The secretary of the Company shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members for consideration by the Nomination Committee. The Nomination Committee may also put forward candidates who are not nominated by Board members. The factors which would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate for director include, *inter alia*, reputation for integrity, professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy, willingness to devote adequate time to discharge duties as Board member, diversity of the Board, and such other perspectives appropriate to the Company’s business. The Nomination Committee shall make recommendations for the Board’s consideration and approval.

## BOARD DIVERSITY POLICY

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Measurable objective that the Board set for implementing the diversity policy is that at least one Director is female. For the Year, this measurable object has been fulfilled as 1/3 of the Directors are female. As at the date of this report, the female-to male ratio of the Board members was 1:2 and the female-to-male ratio of the workforce (including the senior management) was 1:2.5, reflecting a gender equality principle generally adhered by the Group and consistent with the practices in the industry in which the Group operates.

## BOARD DIVERSITY POLICY (CONTINUED)

The Board is mindful of the objectives for the factors as set out in the diversity policy for assessing the candidacy of the Board members and will ensure that any successors to the Board shall follow the diversity policy. Similar considerations will also be in place to assess the candidacy of the senior management team from time to time. The Group is determined to maintain gender diversity and equality in terms of the whole workforce, and to procure the senior management team to achieve gender equality in terms of the gender ratio. The Nomination Committee will discuss periodically and when necessary, agree on further measurable objectives and plans for achieving diversity, including gender diversity, on the Board and recommend them to the Board for adoption. At present, the Board has not set any further measurable objectives or plans.

## CORPORATE GOVERNANCE FUNCTIONS

The Company's corporate governance functions are carried out by the Board pursuant to the applicable code provisions of the CG Code which include:

a. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;

b. to review and monitor the training and continuous professional development of the directors and senior management of the Company;

c. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;

d. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and the directors of the Company; and

e. to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

The Board had reviewed the corporate governance matters of the Company for the Year, except for the deviation disclosed previously, the Company had complied with the principles and applicable code provisions of the CG Code and was not aware of any non-compliance to relevant applicable legal and regulatory requirements.

## DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the consolidated financial statements for the Year, which give a true and fair view of the state of affairs of the Company and of the Group at the date and of the Group's results and cash flows for the year then ended and are properly prepared in accordance with the statutory requirements and accounting standards.

The statement of the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on pages 34 to 40 of the Annual Report 2025.

## AUDITORS

The annual consolidated financial statements of the Group for the Year have been audited by Infinity. The auditor's responsibilities for the Group's financial statements are set out in the Independent Auditor's Report on pages 34 to 40 of the Company's Annual Report 2025. Infinity who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

The Audit Committee is responsible for evaluating the external auditor of the Group including but not limited to their independence and objectivity.

The fees of the external auditor of the Group for audit services amounted to HK$630,000 and no non-audit services was incurred for the Year.

## COMPANY SECRETARY

Mr. Tam Chun Wa, member of the Hong Kong Institute of Certified Public Accountants, was the Company Secretary who had taken not less than 15 hours of relevant professional training during the Year.

## SHAREHOLDERS' RIGHTS

### Convening a special general meeting

Pursuant to the Bye-law 58 of the Company, a special general meeting may be convened by the Board upon requisition by any shareholder holding not less than one-tenth of the issued share capital of the Company and the securities being held carrying the right of voting at any general meetings of the Company. The shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal regarding any specified transaction/business and its supporting documents.

The Board shall arrange to hold such general meeting within two (2) months after the receipt of such written requisition. The Company shall serve requisite notice of the general meeting, including the time, place of meeting and particulars of resolutions to be considered at the meeting and the general nature of the business. If within twenty-one (21) days of the receipt of such written requisition, the Board fails to proceed to convene such special general meeting, the shareholder shall do so pursuant to the provisions of Section 74(3) of the Companies Act of Bermuda.

### Putting enquiries to the board

Shareholders may send their enquiries and concerns in writing to the Board by addressing them to the Company Secretary at the principal place of business in Hong Kong and the Company Secretary shall then forward the same to the appropriate executives of the Company or members in the Board for further handling.

## SHAREHOLDERS' RIGHTS (CONTINUED)

### Putting forward proposals at shareholders' meeting

A shareholder shall make a written requisition to the Board or the Company Secretary of the Company at the principal place of business in Hong Kong, specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward at general meeting regarding any specified transaction/business and its supporting documents.

## INVESTOR RELATIONS

The Company has adopted the Shareholders' Communication Policy. Under the Shareholders' Communication Policy, the Board shall maintain an on-going dialogue with the Shareholders and prospective investors and establish different channels of communication, including the shareholders' meeting and the Company's website, to ensure effective timely dissemination of information.

The Directors meet and communicate with shareholders at the general meeting of the Company. The Chairman proposes separate resolutions for each issue to be considered and put each proposed resolution to the vote by way of a poll. Voting results are posted on the Company's website on the day of the general meeting.

Our Company's website which contains corporate information, corporate governance practice, interim and annual reports, announcements and circulars issued by the Company enables the Company's shareholders to have timely and updated information of the Company.

The Board reviews the implementations and effectiveness of the Shareholders' Communication Policy on an annual basis. After review, the Board considered that the Shareholders' Communication Policy remained effective and was properly implemented given the multiple channels of communication in place during the Year.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems for the Group. The systems are designed to manage the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company has established an internal audit function.

The Company has formulated a policy and procedures on disclosure of inside information (the "Policy") in accordance with Part XIVA of the Securities and Futures Ordinance, the Listing Rules and the Guidelines on Disclosure of Inside Information published by the Securities and Futures Commission. The policy applies to all employees of the Company. The Board will be responsible for adopting and periodically reviewing and updating the Policy.

A year-end review of the effectiveness of the Company's and its subsidiaries risk management and internal control systems has been conducted annually. The Board, through its review and the review made by the Audit Committee and the external consultant during the Year, considered that the risk management and internal control systems were effective and adequate.

# Directors' Biographies

## EXECUTIVE DIRECTORS

**Mr. Huang Binghuang ("Mr. Huang")**, aged 54, was appointed as an executive director, the chairman of the Board, the chief executive officer of the Company and the chairman of the Nomination Committee on 30 September 2019 and is currently a director of the subsidiaries of the Company, namely Super Homes Limited and China Graphene Holdings Limited. There is a supplementary service contract entered into between the Company and Mr. Huang on 20 April 2024, pursuant to which his appointment is for a term of three years commencing from 20 April 2024 (which shall continue for further successive periods until terminated by either party giving at least two (2) months' notice) but is subject to retirement by rotation and re-election at annual general meetings in accordance with the Listing Rules and the Bye-laws of the Company. Mr. Huang graduated from the Chongqing University. Mr. Huang was the largest shareholder, executive director, CEO and Chief Operating Officer of Grand Field Group Holdings Limited (stock code: 115), a company listed on the Main Board of The Stock Exchange of Hong Kong from February 2007 to October 2008. Mr. Huang served as a consultant to the dean of Peking University, a member of Tenth Committee of the Chinese People's Political Consultative Conference (CPPCC) of Jiangxi Province and the special representative of Hong Kong and Macau of the Eleven Session of the CPPCC, a director of Overseas Friendship Association of Jiangxi. Mr. Huang also served as the executive vice chairman of the Hong Kong-Jiangxi Association of Societies, honorary chairman of the China-Africa Investment Club, vice chairman of the International Economic Development Research Center, honorary president of the China Forestry and Environment Promotion Association, vice president of the China Federation of Modern Service Industries, director of the Shenzhen Federation of Industry and Commerce, China Society for Promotion of the Guangcai Program, president of the Lions Clubs of Central Asia, and honorary chairman of many higher education and industry institutions. Mr. Huang is deemed to be interested in the 3,812,395,735 shares held by China Asia Group Inc. as Mr. Huang holds 100% of the shares and is the director of China Asia Group Inc. which would fall to be disclosed to the listed issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance.

## EXECUTIVE DIRECTORS (CONTINUED)

**Ms. Xia Ping ("Ms. Xia")**, aged 53, was appointed as an executive director of the Company and a member of the Remuneration Committee on 30 September 2019 and is currently a director of a number of subsidiaries of the Company. There is a supplementary service contract entered into between the Company and Ms. Xia on 20 April 2024, pursuant to which her appointment is for a term of three years commencing from 20 April 2024 (which shall continue for further successive periods until terminated by either party giving at least two (2) months' notice) but is subject to retirement by rotation and re-election at annual general meetings in accordance with the Listing Rules and the Bye-laws of the Company. Ms. Xia graduated from the Fuzhou Teachers' College of East China University of Technology* (東華理工大學撫州師範學院), majoring in Chinese Language and Literature in 1992 and the China Central Radio and TV University (中央廣播電視大學) in the PRC majoring in Chinese Language and Literature in 2005 and obtained the qualification of intermediate accountant issued by the Ministry of Finance of the PRC in 2006. Ms. Xia is the executive president of Shenzhen Tanggang China Asia Electronic City Group Co., Ltd.* (深圳市坣崗中亞電子城集團有限責任公司). Besides, Ms. Xia also acts as an executive director of Zhongya Daye Industrial Park Management Co., Ltd.* (中亞大冶產業園管理有限公司), a director of Shenzhen Zhongya Film Industry Co., Ltd.* (深圳市中亞影視產業有限公司) and a supervisor of Shenzhen Zhongya Film Industry Co., Ltd.* (中亞視界科技(深圳)有限公司).

**Ms. Wang Lijiao ("Ms. Wang")**, aged 44, was appointed as a non-executive Director and a member of the Audit Committee on 30 September 2019 and was redesignated from a non-executive director to an executive director and ceased to be a member of the Audit Committee on 18 November 2022. Ms. Wang was also appointed as a member of the Nomination Committee on 1 July 2025. Ms. Wang has entered into a service contract with the Company for a term of 3 years commencing from 18 November 2022 (which shall continue for further successive periods until terminated by either party giving at least two (2) months' notice). Ms. Wang is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Listing Rules and the Bye-laws of the Company. Ms. Wang has been serving as the chief financial officer of China Asia Zhi Ye Group Limited* (中亞置業集團有限公司) since 8 April 2008. Ms. Wang graduated from the Communication University of China (中國傳媒大學) in 2021 with a bachelor's degree in accounting through online studies.

* *The Company name in English is not the official name but a translation for reference only*

# Directors’ Biographies

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Duan Rihuang (“Mr. Duan”)**, aged 68, was appointed as an independent non-executive Director of the Company, a member of the Remuneration Committee, the Nomination Committee and the Audit Committee on 12 June 2020. Mr. Duan has entered into a supplementary service contract with the Company on 20 April 2024 pursuant to which his appointment is for a term of three years commencing from 20 April 2024 (which shall continue for successive periods until terminated by either party giving at least two (2) months’ notice) but is subject to rotation and re-election as annual general meetings in accordance with the Listing Rules and the Bye-laws of the Company. Mr. Duan has over 26 years of experience in the managerial field. From 1987 to 1991, Mr. Duan held the position of the general manager of Jiangxi Liancheng Tourism Rental Company Limited* (江西聯城旅遊出租有限公司). During the period from 1992 to 1998, Mr. Duan was the vice chairman and the general manager of 江西百龍實業有限公司 (Jiangxi Bailong Shiye Company Limited*). From 2005 to 2010, Mr. Duan held the position as general manager of Jiangzi Ruiji Communication Technology Company Limited* (江西瑞吉通訊技術有限公司). Currently, Mr. Duan was also the vice chairman of Jiangnan Valve Company Limited* (江南閥門有限公司) from 2012 to 2022.

**Mr. Wang Rongfang (“Mr. Wang”)**, aged 63, was appointed as the independent non-executive Director of the Company, the chairman of the Remuneration Committee, a member of the Audit Committee and a member of the Nomination Committee with effect from 11 February 2022. Mr. Wang has entered into a service contract with the Company for a term of 3 years commencing from 11 February 2022 (which shall continue for further successive periods until terminated by either party giving at least two (2) months’ notice). Mr. Wang is subject to retirement by rotation and re-election at annual general meeting(s) requirements in accordance with the Listing Rules and the Bye-laws of the Company. Mr. Wang graduated from Quanzhou Normal University* (泉州師範學院) in 1982 and obtained a bachelor’s degree in philosophy. Mr. Wang has over 20 years’ experience in construction and project management. In 2006, he served as the project manager (general management) of Fujian Huidong Construction Co., Ltd.* (福建惠東建築工程有限公司) in charge of the Riverside Hill Town Project* (水岸山城工程項目) in Fenggang Town, Dongguan, Guangdong. From 2008 to 2011, Mr. Wang served as the project head with Fujian Bajian Construction Co., Ltd.* (福建八建建築工程有限公司) in charge of the Shenzhen Bao’an Shajing Bogang Unified Building Project* (深圳寶安沙井壆崗統建樓工程項目). From 2012 to 2014, he served as the project general manager and deputy manager with Fujian Five Construction Development Group Co., Ltd.* (福建省五建建設集團有限公司) in charge of the China 20 MCC Zhuhai Hengqin Municipal Engineering (Ninth Section) Project* (中國二十冶珠海橫琴市政工程第九標段). From 2014 to 2017, he served as the project head (general management) with Fujian Mingcheng Construction (Group) Co., Ltd.* (福建名城建工有限公司) in charge of the Evergrande Lvzhou Phase II Project* (恒大綠洲二期工程項目). From 2017 to 2018, Mr. Wang served as the project head (general management) of Engineering Company of CCCC Fourth Harbor Engineering Co., Ltd* (中交四航局第三工程有限公司) in charge of the Kaichun Expressway Section TJO8 First Work Zone Road Foundation Project* (開春高速路 TJO8標第一工區路基工程項目). In 2019, Mr. Wang served as the project head of MCC 1 Malaysia 8cnlag Labour Service Construction Project (一冶馬來西亞8cnlag勞務施工項目) with MCC International (M) Sdn. Bhd.* (中冶國際馬來西亞有限公司). Since April 2020, Mr. Wang has been serving as the deputy general manager of Zhongan Zhonghui (Shenzhen) Industrial Co., Ltd.* (中安中慧(深圳)實業有限公司).

* *The Company name in English is not the official name but a translation for reference only*

## INDEPENDENT NON-EXECUTIVE DIRECTORS (CONTINUED)

**Mr. Tso Sze Wai ("Mr. Tso")**, age 55, was appointed as an independent non-executive Director and the chairman of the Audit Committee on 2 July 2021. Mr. Tso was also appointed as the member of Nomination Committee on 19 June 2025 Mr. Tso has entered into a supplementary service contract with the Company for a term of 3 years commencing from 2 July 2024 (which shall continue for further successive periods until terminated by either party giving at least two (2) months' notice). Mr. Tso is subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Listing Rules and the Bye-laws of the Company.

Mr. Tso holds a bachelor's degree in Commerce awarded by University of New South Wales, Australia and a postgraduate diploma in Computing awarded by the University of Western Sydney, Australia. He is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Tso currently serves as an independent non-executive director of China Jicheng Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1027), since October 2016. Mr. Tso is also an independent non-executive director of Willas-Array Electronics (Holdings) Limited (stock code: 854) from 2022 and Hop Fung Group Holdings Limited (stock code: 2320) from 2023, both being companies the shares of which are listed on the Stock Exchange. Mr. Tso is also an independent non-executive director of a company the shares of which are listed on the Singapore Stock Exchange, namely Net Pacific Financial Holdings Limited (stock code: SGX:5QY), since July 2020. Mr. Tso was an independent non-executive director of C-Link Squared Limited (SEHK stock code: 1463) from December 2021 to March 2022, an independent non-executive director of KTL Global Limited (SGX-ST stock code: EB7) from June 2020 to August 2021 and the financial controller and the company secretary of Green Energy Group Limited (SEHK stock code: 979) from August 2014 to December 2019. Mr. Tso has over 20 years of experience in accounting, corporate finance and corporate secretarial matters. Prior to that, Mr. Tso had held senior management positions in a number of listed companies in Hong Kong and Singapore.

# Independent Auditor's Report

**Infinity CPA Limited**
Room 1501, 15th Floor, Olympia Plaza
255 King's Road, North Point
Hong Kong

**To the shareholders of China Asia Valley Group Limited**
(Incorporated in Bermuda with limited liability)

## Opinion

We have audited the consolidated financial statements of China Asia Valley Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 41 to 115, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other 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 issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Companies Ordinance.

## Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, 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.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of trade and other receivables, contract assets and deposits paid to the landlord
- Valuation of investment properties
- Impairment assessment of lease properties under sub-lease arrangements

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of trade receivables, contract assets and deposits paid to the landlord**<br><br>Refer to notes 4, 5, 6(b), 19, 22 and 24 to the consolidated financial statements.<br><br>We identified the impairment assessment of trade receivables, contract assets and deposits paid to the landlord as a key audit matter due to the significant balances of these assets at the end of the reporting period and the significant judgements and estimates exercised by the Group's management.<br><br>Management estimated, with the assistance of an external valuer, the allowance for expected credit losses ("ECL") for trade receivables, contract assets and deposits paid to the landlord by considering factors including the ageing profile, debtors' repayment history and the current and forward-looking information on macroeconomic factors that involve the exercise of management judgement. | Our audit procedures in relation to impairment assessment of trade receivables, contract assets and deposits paid to the landlord included:<br><br>— obtained an understanding of the key controls over credit assessment procedures performed by management, including the periodic review of aged receivables and management's estimation of the allowance for ECL for these financial assets;<br><br>— evaluated the Group's policy for estimating the ECL with reference to the requirements of the prevailing accounting standard;<br><br>— tested the accuracy of the ageing profile of the receivables by checking to supporting documents on a sample basis;<br><br>— examined the estimation on the ECL of individual balances on sample basis and the expected loss rate of each category groups and evaluated the basis and factors used in the estimation to the appropriateness of the identification of significant increase in credit risk, defaults and credit-impaired receivables; |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| | — evaluated the independence, competence, objectivity and experience of the valuer engaged by management;<br><br>— obtained an understanding of and evaluated the reasonableness of the methodology and the key data inputs and assumptions used to determine the ECL; and<br><br>— tested the mathematical accuracy of the calculation of ECL rates and the calculation of the allowance for ECL. |
| ***Valuation of investment properties*** | |
| Refer to notes 4, 5, 6(f) and 18 to the consolidated financial statements.<br><br>We identified the valuation of investment properties as a key audit matter due to the significant balances of these assets at the end of the reporting period and the significant judgements and estimates exercised by the Group's management.<br><br>As at 31 December 2025, the fair value of investment properties amounted to approximately HK$371,000,000 and the fair value gain of investment properties for the year then ended was HK$16,000,000. Investment properties represented 34.6% of the Group's total assets and were considered significant balances.<br><br>The management estimated, with the assistance of an external valuer, the fair value of investment properties by considering and applying valuation methodology, inputs and assumptions that involve the exercise of significant management judgement. | Our audit procedures in relation to valuation of investment properties included:<br><br>— obtained an understanding of the key controls over valuation of investment properties;<br><br>— evaluated the independence, competence, objectivity and experience of the valuer engaged by management;<br><br>— discussed with the valuer to understand the valuation methodology applied and information and assumptions used to determine the fair value of investment properties;<br><br>— evaluated the reasonableness of the valuation methodology and the key inputs and assumptions used to determine the fair value of investment properties;<br><br>— compared the key inputs provided by management to supporting documents on sample basis and compared key market data inputs to available market data;<br><br>— performed land searches of investment properties; and<br><br>— checked the mathematical accuracy of valuation of investment properties. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of lease properties under sub-lease arrangements**<br><br>We identified impairment assessment of lease properties under sub-lease arrangement as a key audit matter due to the significant judgement and estimates exercised by the Group's management in assessing whether there are any indicators of impairment for leased properties under sub-lease arrangements at the end of the reporting period and if any, the respective recoverable amount, which is the higher of the fair value less costs of disposal and the value in use.<br><br>Management estimated, with the assistance of an external valuer, the recoverable amount of lease properties under sub-lease arrangements based on value-in-use by preparing discounted cash flow forecasts. | Our audit procedures in relation to impairment assessment of lease properties under sub-lease arrangement mainly included:<br><br>— obtained an understanding of the key controls over the asset impairment assessment process;<br><br>— evaluated the independence, competence, objectivity and experience of the valuer engaged by management;<br><br>— discussed with management of the judgement and estimates involved in assessing whether there are any indicators of impairment for lease properties under sub-lease arrangement;<br><br>— obtained an understanding of and evaluated the reasonableness of the methodology and key data inputs and assumptions used to determine the recoverable amount of lease properties under sub-lease arrangements; and<br><br>— tested the mathematical accuracy of the underlying calculations in the impairment assessment and agreed the calculations to the financial budget and forecasts. |

## Information other than the consolidated financial statements and auditor's report thereon

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 directors for the consolidated financial statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards 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 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 either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Directors are assisted by the audit committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## 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. This report is made solely to you, as a body, in accordance with section 90 of the Companies Act 1981 of Bermuda, 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 HKSAs 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 HKSAs, we exercise professional judgment and maintain professional skepticism 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 the purposes of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

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.

**Infinity CPA Limited**
*Certified Public Accountants*
**Chan Kin Ming**
Practising certificate number P07802

Hong Kong, 30 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

| | Notes | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|---|
| **Revenue** | *7* | **156,589** | 134,680 |
| Other income and gains, net | *8* | **7,811** | 5,877 |
| Staff costs | | **(15,381)** | (16,562) |
| Depreciation and amortisation expenses | | **(84,522)** | (58,694) |
| Property investment related expenses | | **(14,418)** | (13,024) |
| Property management related expenses | | **(6,690)** | (5,590) |
| Construction services related expenses | | **(6,603)** | (18,674) |
| Other operating and administrative expenses | | **(11,679)** | (7,730) |
| Fair value gain on investment properties | | **16,000** | 7,000 |
| Impairment losses under expected credit loss model, net | *12* | **(5,489)** | (794) |
| **Profit from operations** | | **35,618** | 26,489 |
| Finance costs | *10* | **(25,433)** | (23,704) |
| **Profit before tax** | | **10,185** | 2,785 |
| Income tax credit/(expense) | *11* | **6** | (220) |
| **Profit for the year** | *12* | **10,191** | 2,565 |
| **Other comprehensive income** | | | |
| *Items that may be reclassified to profit or loss:* | | | |
| Exchange differences on translating foreign operations | | **1,242** | 205 |
| **Other comprehensive income for the year, net of tax** | | **1,242** | 205 |
| **Total comprehensive income for the year** | | **11,433** | 2,770 |
| **Profit for the year attributable to owners of the Company** | | **10,191** | 2,565 |
| **Total comprehensive income for the year attributable to owners of the Company** | | **11,433** | 2,770 |
| **Earnings per share** | *16* | | |
| Basic and diluted *(HK cent(s) per share)* | | **0.16** | 0.05 |

# Consolidated Statement of Financial Position

As at 31 December 2025

| | Notes | 2025 HK$'000 | 2024 HK$'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Right-of-use assets | 17 | **838** | 1,810 |
| Investment properties | 18 | **717,924** | 748,905 |
| Deposits paid to the landlord | 19 | **256,065** | 254,037 |
| Property, plant and equipment | 20 | **861** | 812 |
| Goodwill | 21 | **200** | 200 |
| | | **975,888** | 1,005,764 |
| **Current assets** | | | |
| Inventories | 23 | **583** | 1,095 |
| Trade and other receivables | 22 | **44,871** | 32,282 |
| Contract assets | 24 | **14,922** | 3,715 |
| Pledged bank deposits | 25 | **12,959** | 11,947 |
| Cash and cash equivalents | 25 | **23,452** | 20,461 |
| | | **96,787** | 69,500 |
| **Current liabilities** | | | |
| Trade and other payables | 26 | **56,484** | 43,199 |
| Amounts due to related parties | 27 | **11,891** | 11,295 |
| Lease liabilities | 29 | **74,008** | 64,879 |
| Bank borrowings | 28 | **128,000** | 144,000 |
| Current tax liabilities | | **31** | 22 |
| | | **270,414** | 263,395 |
| **Net current liabilities** | | **(173,627)** | (193,895) |
| **Total assets less current liabilities** | | **802,261** | 811,869 |
| **Non-current liabilities** | | | |
| Amounts due to related parties | 27 | **54,785** | 32,633 |
| Lease liabilities | 29 | **245,279** | 288,472 |
| | | **300,064** | 321,105 |
| **NET ASSETS** | | **502,197** | 490,764 |
| **Capital and reserves** | | | |
| Share capital | 31 | **317,635** | 317,635 |
| Reserves | 34 | **184,562** | 173,129 |
| **TOTAL EQUITY** | | **502,197** | 490,764 |

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 30 March 2026 and are signed on its behalf by:

| | |
|---|---|
| **Mr. Huang Binghuang** | **Ms. Xia Ping** |
| *Director* | *Director* |

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

| | Attributable to owners of the Company | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Share capital HK$'000 | Share premium* HK$'000 | Convertible bond equity component reserve* HK$'000 | Capital redemption reserve* HK$'000 | Capital reserve* HK$'000 | Foreign currency translation reserve* HK$'000 | Retained profits/ (accumulated losses)* HK$'000 | Sub-total HK$'000 | Non-controlling interests HK$'000 | Total equity HK$'000 |
| At 1 January 2024 | 140,955 | 26,770 | – | 121 | – | (1,346) | (33,348) | 133,152 | (108) | 133,044 |
| Profit for the year | – | – | – | – | – | – | 2,565 | 2,565 | – | 2,565 |
| Other comprehensive income for the year | – | – | – | – | – | 205 | – | 205 | – | 205 |
| Total comprehensive income for the year | – | – | – | – | – | 205 | 2,565 | 2,770 | – | 2,770 |
| Issue of convertible bonds (note 32) | – | – | 79,759 | – | – | – | – | 79,759 | – | 79,759 |
| Issue of shares upon conversion of convertible bonds (note 31) | 176,680 | 176,680 | (79,759) | – | – | – | – | 273,601 | – | 273,601 |
| Contribution from a substantial shareholder | – | – | – | – | 1,482 | – | – | 1,482 | – | 1,482 |
| Disposal of a subsidiary (note 35) | – | – | – | – | – | – | – | – | 108 | 108 |
| At 31 December 2024 | 317,635 | 203,450 | – | 121 | 1,482 | (1,141) | (30,783) | 490,764 | – | 490,764 |
| **At 1 January 2025** | **317,635** | **203,450** | **-** | **121** | **1,482** | **(1,141)** | **(30,783)** | **490,764** | **-** | **490,764** |
| Profit for the year | **-** | **-** | **-** | **-** | **-** | **-** | **10,191** | **10,191** | **-** | **10,191** |
| Other comprehensive income for the year | **-** | **-** | **-** | **-** | **-** | **1,242** | **-** | **1,242** | **-** | **1,242** |
| Total comprehensive income for the year | **-** | **-** | **-** | **-** | **-** | **1,242** | **10,191** | **11,433** | **-** | **11,433** |
| **At 31 December 2025** | **317,635** | **203,450** | **-** | **121** | **1,482** | **101** | **(20,592)** | **502,197** | **-** | **502,197** |

* These reserve accounts comprise the consolidated reserves of HK$184,562,000 (2024: HK$173,129,000) in the consolidated statement of financial position.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Cash flows from operating activities** | | |
| Profit before tax | **10,185** | 2,785 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | **468** | 387 |
| Depreciation of right-of-use assets | **972** | 1,060 |
| Depreciation of investment properties | **83,082** | 57,247 |
| Interest income | **(356)** | (599) |
| Imputed interest income on deposits paid to landlord | **(5,385)** | (3,405) |
| Finance costs | **25,433** | 23,704 |
| Gain on disposal of a subsidiary | **–** | (341) |
| Fair value gain on investment properties | **(16,000)** | (7,000) |
| Impairment loss on deposits paid to the landlord | **3,357** | – |
| Impairment loss on trade receivables, net | **1,664** | 794 |
| Impairment loss on other receivables and rental and other deposits | **44** | – |
| Impairment loss on contract assets, net | **424** | – |
| Operating cash flows before working capital changes | **103,888** | 74,632 |
| Change in inventories | **514** | 6 |
| Change in trade and other receivables | **(25,553)** | (25,760) |
| Change in trade and other payables | **13,006** | (20,048) |
| Cash generated from operations | **91,855** | 28,830 |
| Income tax paid | **15** | (209) |
| **Net cash generated from operating activities** | **91,870** | 28,621 |
| **Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | **(514)** | (342) |
| Deposits paid to the landlord | **–** | (305,200) |
| Net cash inflow from disposal of a subsidiary | **–** | 240 |
| (Decrease)/increase in pledged bank deposits, net | **(1,012)** | 3,385 |
| Interest received | **356** | 599 |
| **Net cash used in investing activities** | **(1,170)** | (301,318) |

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| **Cash flows from financing activities** | | |
| Advance from/(repayment to) related parties | **3,001** | (4,256) |
| Advance from/(repayment to) the controlling shareholder | **19,747** | (20,131) |
| Repayment of lease liabilities (principal portion) | **(70,474)** | (47,113) |
| Lease interest paid | **(19,528)** | (13,807) |
| Contribution from a non-controlling interests | **–** | 108 |
| Repayment of bank borrowings | **(16,000)** | (16,000) |
| Interest paid on bank borrowings | **(5,725)** | (8,257) |
| Interest paid on shareholder loan | **(180)** | (158) |
| Issuance of convertible bonds | **–** | 353,360 |
| **Net cash (used in)/from financing activities** | **(89,159)** | 243,746 |
| **Net increase/(decrease) in cash and cash equivalents** | **1,541** | (28,951) |
| Effect of foreign exchange rate changes | **1,450** | (1,719) |
| **Cash and cash equivalents at beginning of year** | **20,461** | 51,131 |
| **Cash and cash equivalents at end of year** | **23,452** | 20,461 |
| **Analysis of cash and cash equivalents** | | |
| Bank balances and cash | **23,452** | 20,461 |

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

China Asia Valley Group Limited (the "Company") was incorporated in Bermuda with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is Rooms 1237–1240, 12th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 39 to the consolidated financial statements.

In the opinion of the directors of the Company (the "Directors"), as at the date of issue of this report, China Asia Group Inc., a company incorporated in British Virgin Islands with limited liability, is the immediate holding company and the ultimate holding company, and controlled by Mr. Huang Binghuang (the "Controlling Shareholder").

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, except for certain investment properties which are carried at fair values.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the Directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

### Going concern basis

The Group had net current liabilities of approximately HK$173,627,000 as at 31 December 2025. The Group's bank borrowings with a repayment on demand clause amounted to HK$128,000,000 as at 31 December 2025 (the "Borrowings"). Notwithstanding these facts, the Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they consider the adoption of the going concern basis of accounting in preparing the consolidated financial statements to be appropriate.

## 2. BASIS OF PREPARATION (CONTINUED)

### Going concern basis (Continued)

In order to improve the Group's financial position, liquidity and cash flows, the Directors have adopted the following measures:

(a) the Controlling Shareholder has agreed to provide adequate funds for the Group to meet its liabilities as they fall due; and

(b) the Group has obtained a letter from the bank after the end of the reporting period, in which it is stated that the bank does not expect the Borrowings would be demanded or cancelled in the next twelve months from the date of the letter unless there is occurrence of an event of default stipulated in the banking facility letter. Taking into account the Group's financial position, the Directors do not consider that it is probable that any event of default will occur in the next twelve months from the date of the letter.

In addition to the above, the Directors have reviewed the Group's projected cash flow forecasts for at least the next twelve months from the date of approval of the consolidated financial statements, on the basis that the Group's aforementioned plans and measures will be successful, thus the Directors believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as when they fall due in the next twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors believe that the Group will continue as a going concern and therefore consider it is appropriate to adopt a going concern basis in preparing its consolidated financial statements.

## 3. NEW ACCOUNTING STANDARDS AND ACCOUNTING CHANGES

### 3.1 Amendments to HKFRS Accounting Standards that are Mandatorily Effective for the Current Year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

| | |
|---|---|
| Amendments to HKAS 21 | Lack of Exchangeability |

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 3. NEW ACCOUNTING STANDARDS AND ACCOUNTING CHANGES (CONTINUED)

### 3.2 New and Amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

| | |
|---|---|
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to the Classification and Measurement of Financial Instructments[1] |
| Amendments to HKFRS Accounting Standards — Volume 11 | Annual Improvements to HKFRS Accounting Standards[1] |
| Amendments to HKFRS 9 and HKFRS 7 | Amendments to Contracts Referencing Nature-dependent Electricity[1] |
| HKFRS 18 | Presentation and Disclosure in Financial Statements[2] |
| HKFRS 19 (including the relevant amendments) | Subsidiaries without Public Accountability: Disclosures[2] |
| Amendments to HKAS 21 | Translation to Hyperinflationary Presentation Currency[2] |
| Amendments to HKFRS 10 and HKAS 28 | Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3] |

1 Effective for annual periods beginning on or after 1 January 2026
2 Effective for annual 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, carrying forward many of the requirements in HKAS 1 unchanged and complementing them with new requirements. 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. In addition, there are minor consequential amendments to other HKFRSs. HKFRS 18 and the consequential amendments to other HKFRSs will be 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.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies applied in the preparation of the consolidated financial statements are set out below.

### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

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

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive expenses for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units ("CGUs") that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Foreign currency translation

***(i) Functional and presentation currency***

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

***(ii) Transactions and balances in each entity's financial statements***

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

***(iii) Translation on consolidation***

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

– Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

– Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

– All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in consolidated profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their costs less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

| | |
|---|---|
| Leasehold improvement | Over the lease terms |
| Furniture and equipment | 2 to 5 years |
| Motor vehicles | 5 years |

The useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in consolidated profit or loss.

### Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are recognised in consolidated profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in consolidated profit or loss.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Leases

***The Group as lessee***

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

| | |
|---|---|
| Land and buildings | Over the lease terms |

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate ("IBR"). Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less.

***The Group as lessor***

The Group leases equipment under finance leases and office spaces, retail stores and investment properties under operating leases to non-related parties.

*Lessor — Finance leases*

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Leases (Continued)

***The Group as lessor (Continued)***

*Lessor — Operating leases*

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

Interest and rental income which are derived from the Group's ordinary course of business are presented as revenue.

*Lessor — Subleases*

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Inventories

***Horticultural plants***

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in consolidated profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in consolidated profit or loss.

### Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with the transaction price as defined under HKFRS 15 *Revenue from Contracts with Customers*, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in consolidated profit or loss.

Financial assets of the Group are classified at financial assets at amortised cost.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Financial assets (Continued)

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

– the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

– the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

### Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("Lifetime ECL") for trade receivables, contract assets and lease receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables, contract assets and lease receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in consolidated profit or loss as an impairment gain or loss.

### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

### Other financial liabilities

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

### Convertible bonds

A conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is a conversion option derivative.

At the date of issue, both the debt and derivative components (derivative financial instruments) are recognised at fair value. In subsequent periods, the debt component of the convertible bonds is carried at amortised cost using the effective interest method. The derivative financial instruments are measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the debt and derivative components in proportion to their relative fair values. Transaction costs relating to the derivative component are charged to profit or loss immediately. Transaction costs relating to the debt component are included in the carrying amount of the debt portion and amortised over the period of the convertible bonds using the effective interest method.

### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer that reflects the consideration to which the Group expects to be entitled in exchange for goods or services. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

– the customer simultaneously receives and consumes the benefits provided by the Group's performance;

– the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

– the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The Group accounts for contract modifications arising from change orders to modify the scope or price of the contract as separate contracts if the modification adds distinct goods or services at their standalone selling prices. For contract modifications that add distinct goods or services but not at their standalone selling prices, the Group combines the remaining consideration in the original contract with the consideration promised in the modification to create a new transaction price that is then allocated to all remaining performance obligations. For contract modifications that do not add distinct goods or services, the Group accounts for the modification as continuation of the original contract and is recognised as a cumulative adjustment to revenue at the date of modification.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Revenue recognition (Continued)

***Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation***

*Output method*

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Group's performance in transferring control of goods or services.

Variable consideration

For contracts that contain variable consideration (if any), the Group estimates the amount of consideration to which it will be entitled using either (a) the expected value method or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Group will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Group updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of the reporting period and the changes in circumstances during the reporting period.

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its construction contracts. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it recognises an asset for these costs only if they meet all of the following criteria:

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

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Other revenue

Rental income is recognised on a straight-line basis over the lease terms.

Interest income is recognised using the effective interest method.

### Employee benefits

***(i) Employee leave entitlements***

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

***(ii) Pension obligations***

The Group operates a Mandatory Provident Fund Scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income (subject to a ceiling of monthly relevant income of HK$30,000). Contributions to the plan vest immediately.

The Group also participates in a defined contribution retirement scheme organised by the government in the The People’s Republic of China (the “PRC”). The Group is required to contribute a specific percentage of the payroll of its employees to the retirement scheme. No forfeited contributions may be used by the employers to reduce the existing level of contributions.

***(iii) Termination benefits***

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All borrowing costs are recognised in consolidated profit or loss in the period in which they are incurred.

### Income tax

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in consolidated profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Income tax (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in consolidated profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Related parties

A related party is a person or entity that is related to the Group.

(a) A person or a close member of that person's family is related to the Group if 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 Company or of a parent of the Company.

(b) An entity is related to the Group if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities 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. If the Group is itself such a plan, the sponsoring employers are also 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); or

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in consolidated profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## 4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

### Events after the reporting period

Events after the reporting period that provide additional information about the Group’s position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

## 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES

### (a) Critical judgments in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

#### *(i) Going concern basis*

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon certain measures taken by the Directors to improve the Group’s financial position, liquidity and cash flows as explained in note 2 to the consolidated financial statements.

## 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

### (a) Critical judgments in applying accounting policies (Continued)

#### *(ii) Deferred tax for investment properties*

For the purposes of measuring deferred tax for certain investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the Directors have rebutted the presumption that investment properties measured using the fair value model are recovered through sale.

#### *(iii) Lease — Estimation of IBR*

The Group cannot readily determine the interest rate implicit in the leases, and therefore, it uses an IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available especially the Group does not enter into financing transactions. The Group estimates the IBR using observable inputs (such as similar debt financing instrument) when available and is required to make certain entity-specific estimates (such as the relevant subsidiary's stand-alone credit rating).

Using inaccurate rate may induce understatement of lease liabilities when a lower IBR was used.

#### *(iv) Operating lease — Group as lessor*

The Group has entered into residential and commercial properties lease on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

## 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

### (b) Key sources of 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 discussed below:

#### *(i) Fair value of investment properties*

The Group appointed an independent professional valuer to assess the fair value of the investment properties. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The Directors have exercised their judgment and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

#### *(ii) Impairment of trade and other receivables and contract assets*

The Group makes allowances on trade and other receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade receivables and doubtful debt expenses in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see note 22 to the consolidated financial statements.

#### *(iii) Impairment assessment of leased properties under sub-lease arrangements*

The Group assesses whether there are any indicators of impairment for leased properties under sub-lease arrangements at the end of the reporting period.

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 assets group exceeds its recoverable amount, which is the higher of the fair value less costs of disposal and the value in use.

## 5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

### (b) Key sources of estimation uncertainty (CONTINUED)

#### *(iv) Income tax*

Determining income tax provisions involves judgment on the future tax treatment of certain transactions. The management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, the management's judgment is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

#### *(v) Revenue recognition from construction works*

As explained in the paragraph headed "Revenue recognition" in note 4 to the consolidated financial statements, management measures the value of completed construction work based on output method, which is to recognise revenue on the basis of direct measurement of the value of construction work transferred to customer to date relative to the remaining construction work promised to be completed under the construction contracts in order to measure the progress towards complete satisfaction of the performance obligation. Because of the nature of the activity undertaken in construction contracts, the date at which the contract activity is entered into and the date when the activity is completed usually fall into different accounting periods and the scope of work may change during the construction period. The management's estimate of revenue and the completion status of construction work requires significant judgement and has a significant impact on the amount and timing of revenue recognised. The Group has qualified surveyor to periodically measure the value of the construction work completed for each construction project and issue interim payment applications. The construction work performed by the Group would also be certified by customers periodically according to the construction progress. The management reviews and revises the estimation of contract revenue prepared for each construction contract as the contract progress based on the interim payment applications and the payment certificate issued by customers.

## 6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities, including Hong Kong dollars ("HK$") and Renminbi ("RMB"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### (b) Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2025 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables, contract assets, deposits paid to the landlord, pledged bank deposits and cash and cash equivalents. In order to minimise credit risk, the Directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures.

The Group has policies in place to ensure that sales are made to customers with an appropriate credit history.

For trade receivables and contract assets, collective credit evaluations are performed on all customers, except for trade receivables and contract assets which the management of the Group considered as significant outstanding amount or high uncertainty of recovery, which are assessed for individually, the evaluations focus on the customer's financial position, past history of making payments and take into account information specific to the customer as well as pertaining to the economic environment in which the counterparty operates. Monitoring procedures have been implemented to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under the ECL model on its financial assets and contract assets. In this regard, management considers that the Group's credit risk is significantly reduced.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (Continued)

The Group has concentration of credit risk. As at 31 December 2025, three customers (2024： one customer) which individually contributed over 10% of the Group's aggregate trade receivables and contract assets. The aggregate amounts of trade receivables and contract assets from these customers amounted to approximately 80.6% (2024：74.6%) of the Group's total gross trade receivables and contract assets as at 31 December 2025.

For other receivables and deposits, the Directors make periodic assessment on the recoverability of other receivables and deposits, based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The credit risk on pledged bank deposits and bank and cash balances is limited because the counterparties are banks and financial institutions with high credit-ratings assigned by international credit-rating agencies. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

– internal credit rating;

– actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant decrease to the debtor's ability to meet its debt obligations;

– actual or expected significant changes in the operating results of the debtor; and

– significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of customers.

A significant increase in credit risk is presumed if a customer is more than 30 days past due in making a contractual payment. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Where receivables have been written off, the Group, if practicable and economical, continues to engage in enforcement activity to attempt to recover the receivable due.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (Continued)

The Group's internal credit risk grading assessment comprises the following categories for non-trade receivables:

| Internal credit rating | Description | Other financial assets |
|---|---|---|
| Low risk | The counterparty has a low risk of default and does not have any past-due amounts | 12-month ECL |
| Doubtful | Amount is more than 30 days past due or there have been significant increases in credit risk since initial recognition | Lifetime ECL — not credit-impaired |
| In default | Amount is more than 90 days past due or there is evidence indicating the asset is credit-impaired | Lifetime ECL — credit-impaired |
| Write-off | There is evidence indicating that the counterparty is in severe financial difficulty and the Group has no realistic prospect of recovery | Amount is written-off |

The Group has performed historical analysis and identified the key economic variables impacting credit risk and ECL and has considered available reasonable and supportive forwarding-looking information. The Group also makes periodic assessments on the recoverability of the receivables based on the background and reputation of the customers, historical settlement records and past experience.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (Continued)

***Maximum exposure and year-end rating***

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 rating classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial assets.

| | *Notes* | **External credit rating** | **Internal credit rating** | **12-months or lifetime ECL** | **At 31 December 2025** | | At 31 December 2024 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | **Gross carrying amount** *HK$'000* | **ECL** *HK$'000* | Gross carrying amount *HK$'000* | ECL *HK$'000* |
| Financial assets at amortised cost | | | | | | | | |
| Trade receivables | *22* | N/A | N/A | Note | **40,501** | **(859)** | 29,260 | (1,057) |
| Contract assets | *24* | N/A | N/A | Note | **15,346** | **(424)** | 3,715 | – |
| Deposits and other receivables | *19, 22* | N/A | Low risk | 12-month ECL | **262,537** | **(3,401)** | 256,026 | – |
| Pledged bank deposits | *25* | N/A | Low risk | 12-month ECL | **12,959** | **–** | 11,947 | – |
| Cash and cash equivalents | *25* | N/A | Low risk | 12-month ECL | **23,452** | **–** | 20,461 | – |

Note: For trade receivables and contract assets to which the Group applies the lifetime ECL of simplified approach for impairment, information based on the provision matrix on collective basis and individual assessment for trade receivables is disclosed in following table. Customers with significant outstanding balances or credit-impaired for trade receivables with gross carrying amounts before written-off of approximately HK$14,454,000 (2024: HK$20,872,000) as at 31 December 2025 were assessed individually and approximately HK$1,862,000 were fully written-off (2024: Nil) and the remaining gross carrying amounts before written-off of approximately HK$27,909,000 (2024: HK$8,388,000) were assessed based on the provision matrix on collective basis.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (b) Credit risk (Continued)

The following table provides information about the exposure to credit risk for trade receivables, which are assessed based on a collective basis by using provision matrix and individually within lifetime ECL.

| | Current | Up to 3 months past due | 3 to 6 months past due | 6 to 12 months past due | Over 12 months past due | Assessed individually | Written-off | Total |
|---|---|---|---|---|---|---|---|---|
| **At 31 December 2025** | | | | | | | | |
| Weighted average expected loss rate | **0.9%** | **2.0%** | **28.4%** | **55.6%** | **–** | **15.3%** | **N/A** | |
| Receivable amount, gross (HK$'000) | **25,743** | **1,565** | **331** | **270** | **–** | **14,454** | **(1,862)** | **40,501** |
| Loss allowance (HK$'000) | **(235)** | **(32)** | **(94)** | **(150)** | **–** | **(2,210)** | **1,862** | **(859)** |
| At 31 December 2024 | | | | | | | | |
| Weighted average expected loss rate | – | 3.0% | 9.8% | 10.0% | 29.7% | 1.7% | N/A | |
| Receivable amount, gross (HK$'000) | 3,366 | 1,392 | 285 | 1,842 | 1,503 | 20,872 | – | 29,260 |
| Loss allowance (HK$'000) | – | (41) | (28) | (184) | (447) | (357) | – | (1,057) |

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

| | Effective interest rate | On demand or less than 1 year *HK$'000* | More than 1 year but less than 2 years *HK$'000* | More than 2 years less than 5 years *HK$'000* | Over 5 years *HK$'000* | Total undiscounted cash flows *HK$'000* | Total carrying amount *HK$'000* |
|---|---|---|---|---|---|---|---|
| **At 31 December 2025** | | | | | | | |
| Trade and other payables | N/A | **56,484** | **–** | **–** | **–** | **56,484** | **56,484** |
| Amounts due to related parties | 0%–3% | **11,891** | **54,785** | **–** | **–** | **66,676** | **66,676** |
| Bank borrowings (note) | 5.08% | **22,502** | **117,690** | **–** | **–** | **140,192** | **128,000** |
| Lease liabilities | 4.01%–6.45% | **89,494** | **72,103** | **168,321** | **38,906** | **368,824** | **319,287** |
| | | **180,371** | **244,578** | **168,321** | **38,906** | **632,176** | **570,447** |
| At 31 December 2024 | | | | | | | |
| Trade and other payables | N/A | 43,199 | – | – | – | 43,199 | 43,199 |
| Amounts due to related parties | 0%–3% | 11,295 | 32,633 | – | – | 43,928 | 43,928 |
| Bank borrowings (note) | 5.337% | 23,710 | 134,636 | – | – | 158,346 | 144,000 |
| Lease liabilities | 5.02%–6.45% | 89,234 | 81,482 | 177,112 | 91,423 | 439,251 | 353,351 |
| | | 167,438 | 248,751 | 177,112 | 91,423 | 684,724 | 584,478 |

Note: After the end of the reporting period, the Group has obtained a letter from the bank, the bank did not expect the bank borrowings would be demanded or cancelled in the next 12 months from the date of the letter unless there is occurrence of an event of default stipulated in the banking facility letter. Taking into account the Group's financial position, the directors of the Company do not consider that it is probable that the Group will occur the event of default in the next 12 months from the date of the letter. Therefore, the non-current portion of the bank borrowings will be classified into more than 1 year but less than 2 years in this table.

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (d) Interest rate risk

The Group's exposure to cash flow interest-rate risk arises from its bank deposits and bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") and Prime rate arising from the Group's HK$ denominated borrowing.

At 31 December 2025, if the interest rates had been 100 basis points lower with all other variables held constant, consolidated profit before income tax for the year would have been approximately HK$916,000 higher (2024: HK$1,116,000), arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, consolidated profit for the year would have been approximately HK$916,000 lower (2024: HK$1,116,000), arising mainly as a result of higher interest expense on bank borrowings.

The Group's exposure to fair value interest rate risk arises primarily from the Group's lease liabilities which carry interest at fixed interest rates, amounts due to related parties which carry at fixed interest rate or is interest-free and deposits paid to the landlord which carry interest at fixed imputed interest rate.

### (e) Categories of financial instruments

| | **2025**<br>***HK$'000*** | 2024<br>*HK$'000* |
|---|---|---|
| **Financial assets:** | | |
| Financial assets at amortised cost (including cash and cash equivalents) | **350,111** | 320,352 |
| **Financial liabilities:** | | |
| Financial liabilities at amortised cost | **570,447** | 584,478 |

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (f) Fair value measurement

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

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 following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 valuations: Fair value measured using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

Level 2 valuations: Fair value measured using Level 2 inputs, i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

Level 3 valuations: Fair value measured using significant unobservable inputs

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

***(a) Disclosures of level in fair value hierarchy:***

| Description | Fair value measurement using: | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** | ***HK$'000*** |
| **At 31 December 2025** | | | | |
| **Investment Properties** | | | | |
| – Residential units – Hong Kong | **–** | **–** | **371,000** | **371,000** |
| At 31 December 2024 | | | | |
| Investment Properties | | | | |
| – Residential units – Hong Kong | – | – | 355,000 | 355,000 |

## 6. FINANCIAL RISK MANAGEMENT (CONTINUED)

### (f) Fair values (Continued)

#### *(b) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025 and 2024:*

The Directors are responsible for the fair value measurements of assets required for financial reporting purposes.

*Level 3 fair value measurements*

| Description | Valuation technique | Unobservable Inputs | Effect on fair value for increase of input | Fair Value 2025 HK$'000 | Fair Value 2024 HK$'000 |
|---|---|---|---|---|---|
| Residential units located in Hong Kong | Income approach | Rental yield rate of 3.7% (2024: 4.0%) | Decrease | **371,000** | 355,000 |
| | | Rental growth rate of 1.7% (2024: 1.8%) | Increase | | |
| | | Actual rent entered with tenants at an average of HK$50.94 (2024: HK$51.00) per month per square feet on net floor area basis | Increase | | |
| | | Occupancy rate of 89.3% (2024: 93.3%) | Increase | | |

During the two years, there were no changes in the valuation methodology adopted by the Group for its investment properties. The income approach is used for residential units with tenancy agreements at year end as this valuation technique takes into account the current rent receivable from tenancy agreements and reversionary potential of the property interests.

## 7. REVENUE

An analysis of the Group's revenue for the year is as follows:

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Rental income from investment properties | **7,854** | 7,096 |
| Rental income from leased properties under sub-lease arrangement | **110,942** | 81,887 |
| Provision of property management and other related services | **20,916** | 16,312 |
| Construction services | **9,935** | 23,108 |
| Provision of horticultural services and sales of plants | **6,942** | 6,277 |
| | **156,589** | 134,680 |

## 8. OTHER INCOME AND GAINS, NET

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Interest income on bank deposits | **356** | 599 |
| Imputed interest income on deposits paid to the landlord | **5,385** | 3,405 |
| Gain on disposal of a subsidiary | **–** | 341 |
| Others | **2,070** | 1,532 |
| | **7,811** | 5,877 |

## 9. SEGMENT INFORMATION

The Group's operating segments are identified on the basis of internal reports about the components of the Group that are regularly received and reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. The chief operating decision makers are the Directors.

The Group has four operating segments as follows:

Property investment – engages in leasing out residential properties in Hong Kong and leasing services of leased properties under sub-lease arrangements in the PRC

Horticultural services and sale of plants – provides horticultural services and sales of plants

Property management and other related services – provides building management and other related services

Construction services – provides construction services for buildings and related services in the PRC (a new business established during the year ended 31 December 2024)

The Group's reportable segments for financial reporting properties are the four (2024: four) operating segments described above, which are strategic business units that offer different products and services. They are managed separately because each business requires different skills and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include unallocated administrative expenses, unallocated other income, unallocated depreciation, finance costs and income tax expense. Segment assets do not include pledged bank deposits and unallocated corporate assets. Segment liabilities do not include bank borrowings, current tax liabilities and unallocated corporate liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

## 9. SEGMENT INFORMATION (CONTINUED)

### (a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or services and the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information are as follows:

| | **2025** *HK$'000* | 2024 *HK$'000* |
|---|---|---|
| Disaggregated by major products or services | | |
| – Provision of construction services | **9,935** | 23,108 |
| – Provision of property management and other related services | **20,916** | 16,312 |
| – Provision of horticultural services and sales of plants | **6,942** | 6,277 |
| Revenue from contracts with customers | **37,793** | 45,697 |
| Rental income from leased properties under sub-lease arrangement | **110,942** | 81,887 |
| Rental income from investment properties | **7,854** | 7,096 |
| Total revenue | **156,589** | 134,680 |

| | **Timing of revenue recognition** | | | | | |
|---|---|---|---|---|---|---|
| | **2025** | | | 2024 | | |
| | **At a point in time** *HK$'000* | **Over time** *HK$'000* | **Total** *HK$'000* | At a point in time *HK$'000* | Over time *HK$'000* | Total *HK$'000* |
| Provision of construction services | **–** | **9,935** | **9,935** | – | 23,108 | 23,108 |
| Provision of property management and other related services | **–** | **20,916** | **20,916** | – | 16,312 | 16,312 |
| Provision of horticultural services and sales of plants | **1,118** | **5,824** | **6,942** | 943 | 5,334 | 6,277 |
| Total | **1,118** | **36,675** | **37,793** | 943 | 44,754 | 45,697 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (a) Disaggregation of revenue (Continued)

***Provision of property management and other related services***

Revenue from property management and other related services are recognised over time.

***Provision of horticultural services and sales of plants***

The Group sells plants to the customers. Sales are recognised when control of the plants has been transferred, being when the plants are delivered to the customer, there is no unfulfilled obligation that could affect the customer's acceptance of the plants and the customer has obtained legal titles to the plants.

Revenue from horticultural services is recognised over time.

Provision of horticultural services and sales of plants to customers are normally made with credit terms of 30 days. A receivable is recognised when the plants are delivered or services are rendered to the customers as this is the point in time or over time that the consideration is unconditional because only the passage of time is required before the payment is due.

***Provision of construction services***

The Group provides construction services for buildings and related services in the PRC. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue for these works is therefore recognised over time using output method, i.e. based on surveys of the relevant services completed by the Group to date with reference to certificates issued by customers or payment applications confirmed by internal surveyor. The directors of the Company consider that output method would faithfully depict the Group's performance towards complete satisfaction of these performance obligations in these contracts under HKFRS 15.

***Transaction price allocated to the remaining performance obligations from contracts with customers***

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 and 2024 and the expected timing of recognising revenue are as follows:

| | **2025**<br>***HK$'000*** | 2024<br>*HK$'000* |
|---|---|---|
| ***Construction services*** | | |
| Within 1 year | **16,902** | 19,094 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (b) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

***For the year ended 31 December 2025***

| | Property investment *HK$'000* | Horticultural services and sale of plants *HK$'000* | Property management and other related services *HK$'000* | Construction services *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| Revenue from customers | 118,796 | 6,942 | 20,916 | 9,935 | 156,589 |
| Intersegment revenue | – | – | – | – | – |
| Segment revenue from external customers | 118,796 | 6,942 | 20,916 | 9,935 | 156,589 |
| **Segment profit** | 2,414 | 2,007 | 14,056 | 506 | 18,983 |
| Other income and gains, net | | | | | 6,512 |
| Unallocated depreciation of property, plant and equipment and right-of-use assets | | | | | (1,204) |
| Unallocated administrative expenses | | | | | (8,181) |
| Finance costs | | | | | (5,925) |
| Profit before tax | | | | | 10,185 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (b) Segment revenues and results (Continued)

***For the year ended 31 December 2024***

| | Property investment HK$'000 | Horticultural services and sale of plants HK$'000 | Property management and other related services HK$'000 | Construction services HK$'000 | Total HK$'000 |
|---|---|---|---|---|---|
| Revenue from customers | 88,983 | 6,287 | 16,312 | 23,108 | 134,690 |
| Intersegment revenue | – | (10) | – | – | (10) |
| Segment revenue from external customers | 88,983 | 6,277 | 16,312 | 23,108 | 134,680 |
| **Segment profit** | 6,785 | 1,997 | 10,191 | 1,264 | 20,237 |
| Other income and gains, net | | | | | 5,046 |
| Unallocated depreciation of property, plant and equipment and right-of-use assets | | | | | (1,224) |
| Unallocated administrative expenses | | | | | (11,360) |
| Finance costs | | | | | (9,914) |
| Profit before tax | | | | | 2,785 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (c) Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

| | **At 31 December 2025** | At 31 December 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Segment assets** | | |
| Property investment | **1,016,536** | 1,025,391 |
| Construction services | **28,047** | 27,553 |
| Horticultural services and sale of plants | **3,344** | 2,659 |
| Property management and other related services | **7,869** | 4,163 |
| Total segment assets | **1,055,796** | 1,059,766 |
| Pledge bank deposits | **12,959** | 11,947 |
| Unallocated assets: | | |
| Right-of-use assets | **773** | 1,616 |
| Cash and cash equivalents | **1,055** | 700 |
| Other assets | **2,092** | 1,235 |
| Consolidated total assets | **1,072,675** | 1,075,264 |
| **Segment liabilities** | | |
| Property investment | **346,354** | 384,929 |
| Construction services | **28,389** | 26,624 |
| Horticultural services and sale of plants | **933** | 1,115 |
| Property management and other related services | **24,705** | 4,356 |
| Total segment liabilities | **400,381** | 417,024 |
| Bank borrowings | **128,000** | 144,000 |
| Current tax liabilities | **31** | 22 |
| Unallocated liabilities: | | |
| Amounts due to related parties | **40,781** | 21,035 |
| Other liabilities | **788** | 807 |
| Lease liabilities | **497** | 1,612 |
| Consolidated total liabilities | **570,478** | 584,500 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (d) Other segment information

| | Property investment *HK$'000* | Horticultural services and sale of plants *HK$'000* | Property management and other related services *HK$'000* | Construction services *HK$'000* | Unallocated *HK$'000* | Consolidated *HK$'000* |
|---|---|---|---|---|---|---|
| **For the year ended 31 December 2025** | | | | | | |
| **Amounts included in measure of segment profit or loss or segment assets:** | | | | | | |
| Depreciation of property, plant and equipment and right-of-use assets | – | (180) | (19) | (37) | (1,204) | (1,440) |
| Depreciation of investment properties | (83,082) | – | – | – | – | (83,082) |
| Fair value gain of investment properties | 16,000 | – | – | – | – | 16,000 |
| Other income | 5,590 | 560 | 533 | – | 1,128 | 7,811 |
| Impairment losses under expected credit loss model, net: | | | | | | |
| – trade receivables | (1,317) | – | – | (347) | – | (1,664) |
| – contract assets | – | – | – | (424) | – | (424) |
| – other receivables and other rental deposits | (44) | – | – | – | – | (44) |
| – deposits paid to the landlord | (3,357) | – | – | – | – | (3,357) |
| | (4,718) | – | – | (771) | – | (5,489) |
| Additions to non-current assets | 360 | 153 | – | – | 1 | 514 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (d) Other segment information (Continued)

| | Property investment *HK$'000* | Horticultural services and sale of plants *HK$'000* | Property management and other related services *HK$'000* | Construction services *HK$'000* | Unallocated *HK$'000* | Consolidated *HK$'000* |
|---|---|---|---|---|---|---|
| For the year ended 31 December 2024 | | | | | | |
| Amounts included in measure of segment profit or loss or segment assets: | | | | | | |
| Depreciation of property, plant and equipment and right-of-use assets | – | (207) | (16) | – | (1,224) | (1,447) |
| Depreciation of investment properties | (57,247) | – | – | – | – | (57,247) |
| Fair value gain of investment properties | 7,000 | – | – | – | – | 7,000 |
| Other income | 3,890 | 230 | 111 | 5 | 1,641 | 5,877 |
| Impairment losses under expected credit loss model, net: | | | | | | |
| – trade receivables | – | – | (794) | – | – | (794) |
| Additions to non-current assets | 201 | – | – | 141 | – | 342 |

## 9. SEGMENT INFORMATION (CONTINUED)

### (d) Other segment information (Continued)

***Geographical information:***

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

| | Revenue | | Non-current assets | |
|---|---|---|---|---|
| | **2025 HK$'000** | 2024 *HK$'000* | **2025 *HK$'000*** | 2024 *HK$'000* |
| Hong Kong | **14,796** | 13,375 | **628,870** | 661,636 |
| The PRC except Hong Kong | **141,793** | 121,305 | **347,018** | 344,128 |
| Consolidated total | **156,589** | 134,680 | **975,888** | 1,005,764 |

***Revenue from major customers contributing 10% or more to the Group's revenue is as follows:***

| | **2025 *HK$'000*** | 2024 *HK$'000* |
|---|---|---|
| Construction services | | |
| – Customer A (Note) | **N/A** | 23,108 |
| Property investment | | |
| – Customer B | **26,171** | 19,702 |

Note: The corresponding revenue did not contribute over 10% of the total revenue of the Group.

Except disclosed above, no other customers contributed 10% or more to the Group's revenue for both years.

## 10. FINANCE COSTS

| | **2025 *HK$'000*** | 2024 *HK$'000* |
|---|---|---|
| Interest on bank borrowings | **5,725** | 8,257 |
| Interest paid in lease liabilities | **19,528** | 13,807 |
| Interest on loan from the Controlling Shareholder | **180** | 158 |
| Interest on convertible bonds | **–** | 1,482 |
| | **25,433** | 23,704 |

## 11. INCOME TAX (CREDIT)/EXPENSE

| | **2025** **HK$'000** | 2024 HK$'000 |
|---|---|---|
| Current income tax – PRC Corporate Income Tax | | |
| – Over-provision for prior year | **(6)** | – |
| – Provision for the year | **–** | 220 |
| | **(6)** | 220 |

No provision for Hong Kong Profits Tax has been made since the Company and its subsidiaries either have sufficient tax losses brought forward to set off against assessable profits or did not generate any assessable profits for the years ended 31 December 2025 and 2024. Should provision for Hong Kong Profits Tax be required, it is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, except for one subsidiary of the Group which is a qualifying corporation under the two-tier Profit Tax rate regime.

PRC Corporate Income Tax of the subsidiaries of the Company in the PRC has been provided at applicable rates on the estimated assessable profits for the years ended 31 December 2025 and 2024. The applicable rates which may be lower than the standard rate of corporate tax at 25% represent the tax concessionary rates available to the small and medium-size enterprises in the PRC and are shown as follows:

| **Band of profits in Renminbi** | **Applicable rates** |
|---|---|
| Within 3 million | 5% |
| Over 3 million | 25% |

The reconciliation between the income tax expenses and the product of profit before tax multiplied by the Hong Kong Profits Tax rate is as follows:

| | **2025** **HK$'000** | 2024 HK$'000 |
|---|---|---|
| Profit before tax | **10,185** | 2,785 |
| Tax at the domestic income tax rate of 16.5% (2024: 16.5%) | **1,681** | 459 |
| Tax effect of expenses that are not deductible | **2,878** | 1,968 |
| Tax effect of income that is not taxable | **(2,849)** | (313) |
| Tax effect of unused tax losses not recognised | **1,682** | – |
| Tax effect of utilisation of tax losses not previously recognised | **(1,346)** | (938) |
| Tax effect of temporary differences not recognised | **–** | 11 |
| Tax effect of different tax rates of subsidiaries | **1,440** | 853 |
| Tax effect of tax concession | **(3,492)** | (1,820) |
| | **(6)** | 220 |

## 12. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Auditor's remuneration | **630** | 590 |
| Cost of inventories sold or consumed | **1,163** | 1,196 |
| Depreciation of property, plant and equipment | **468** | 387 |
| Depreciation of right-of-use assets | **972** | 1,060 |
| Depreciation of investment properties | **83,082** | 57,247 |
| Expenses related to short-term leases | **4** | 5 |
| Gain on disposal of a subsidiary | **–** | (341) |
| Greening costs | **65** | 76 |
| Building management, cleaning and utilities expenses | **106** | 832 |
| Maintenance costs | **2,204** | 1,570 |
| Legal and professional service fees (including the auditor's remuneration disclosed above) | **1,976** | 2,781 |
| Direct operating expenses incurred for investment properties that generated rental income | **1,591** | 1,684 |
| Direct operating expenses incurred for investment properties that did not generate rental income | **369** | 332 |
| Impairment losses under expected credit loss model, net: | | |
| – trade receivables | **1,664** | 794 |
| – contract assets | **424** | – |
| – other receivables and rental and other deposits | **44** | – |
| – deposits paid to the landlord | **3,357** | – |
| | **5,489** | 794 |

## 13. EMPLOYEE BENEFITS EXPENSE

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Staff costs including directors' remunerations: | | |
| Salaries and allowances | **13,562** | 15,381 |
| Retirement benefit scheme contributions | **1,143** | 993 |
| Total employee benefits expense | **14,705** | 16,374 |
| Other employee welfare | **676** | 188 |
| | **15,381** | 16,562 |

### Five highest paid individuals

The five highest paid individuals in the Group during the year included three (2024: three) directors whose emoluments are reflected in the analysis presented in note 14 to the consolidated financial statements. The emoluments of the remaining two (2024: two) individuals are set out below:

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Basic salaries and allowances | **1,440** | 1,545 |
| Retirement benefit scheme contributions | **36** | 36 |
| | **1,476** | 1,581 |

None of these individuals received any emolument from the Group as an inducement to join the Group or compensation for loss of office, nor waived or has agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

The emoluments fell within the following band:

| | 2025 | 2024 |
|---|---|---|
| Nil to HK$1,000,000 | **2** | 2 |

## 14. DIRECTORS' EMOLUMENTS

**For the year ended 31 December 2025**

| | Fees<br>*HK$'000* | Salaries and allowances<br>*HK$'000* | Retirement benefit scheme contributions<br>*HK$'000* | Total<br>*HK$'000* |
|---|---|---|---|---|
| **Name of director** | | | | |
| **Executive directors:** | | | | |
| Huang Binghuang | – | 1,000 | 18 | 1,018 |
| Xia Ping | – | 500 | – | 500 |
| Wang Lijiao | – | 600 | 18 | 618 |
| | – | 2,100 | 36 | 2,136 |
| **Independent non-executive directors:** | | | | |
| Duan Rihuang | 200 | – | – | 200 |
| Wang Rongfang | 240 | – | – | 240 |
| Tso Sze Wai | 240 | – | – | 240 |
| | 680 | – | – | 680 |
| | 680 | 2,100 | 36 | 2,816 |

## 14. DIRECTORS' EMOLUMENTS (CONTINUED)

For the year ended 31 December 2024

| | Fees<br>*HK$'000* | Salaries and allowances<br>*HK$'000* | Retirement benefit scheme contributions<br>*HK$'000* | Total<br>*HK$'000* |
|---|---|---|---|---|
| **Name of director** | | | | |
| **Executive directors:** | | | | |
| Huang Binghuang | – | 1,000 | 18 | 1,018 |
| Xia Ping | – | 500 | – | 500 |
| Wang Lijiao | – | 600 | 18 | 618 |
| | – | 2,100 | 36 | 2,136 |
| **Independent non-executive directors:** | | | | |
| Duan Rihuang | 200 | – | – | 200 |
| Wang Rongfang | 240 | – | – | 240 |
| Tso Sze Wai | 240 | – | – | 240 |
| | 680 | – | – | 680 |
| | 680 | 2,100 | 36 | 2,816 |

None of the Directors waived any remuneration during the year ended 31 December 2025 (2024: Nil).

During the years ended 31 December 2025 and 2024, there was no emolument paid to the Directors as an inducement to join or upon joining the Group; or as compensation for loss of office.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group. The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

## 15. DIVIDENDS

The board of directors (the "Board") does not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

## 16. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| **Profit:** | | |
| Profit for the purpose of calculating basic and diluted earnings per share attributable to owners of the Company | **10,191** | 2,565 |

| | **2025** | 2024 |
|---|---|---|
| | ***'000*** | *'000* |
| **Number of shares:** | | |
| Weighted average number of ordinary shares for the purpose of calculating basic and diluted earnings per share | **6,352,702** | 5,469,302 |

The basic and diluted earnings per share were the same as the Company had no dilutive potential ordinary shares in issue during the years ended 31 December 2025 and 2024.

## 17. RIGHT-OF-USE ASSETS

| | Land and buildings HK$'000 |
|---|---|
| **Cost** | |
| At 1 January 2024 | 1,914 |
| Additions | 1,956 |
| Derecognition upon lease expiry | (1,914) |
| At 31 December 2024 and 1 January 2025 | 1,956 |
| Additions | – |
| At 31 December 2025 | **1,956** |
| **Accumulated depreciation:** | |
| At 1 January 2024 | 1,000 |
| Charge for the year | 1,060 |
| Derecognition upon lease expiry | (1,914) |
| At 31 December 2024 and 1 January 2025 | 146 |
| Charge for the year | **972** |
| At 31 December 2025 | **1,118** |
| **Carrying amount** | |
| At 31 December 2025 | **838** |
| At 31 December 2024 | 1,810 |

| | 2025 HK$'000 | 2024 HK$'000 |
|---|---|---|
| Expenses relating to short-term leases | **4** | 5 |
| Repayment of principal portion of lease liabilities | **1,028** | 1,109 |
| Interest paid in lease liabilities | **73** | 27 |
| Total cash outflows for leases for the year | **1,105** | 1,141 |

The Group leases its office and flower garden. Lease agreements are typically made for fixed periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants and the leased assets may not be used as security for borrowing purposes.

## 18. INVESTMENT PROPERTIES

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| At fair value model (note a) | **371,000** | 355,000 |
| At cost model (note b) | **346,924** | 393,905 |
| | **717,924** | 748,905 |

Note a:

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| At 1 January | **355,000** | 348,000 |
| Fair value gain | **16,000** | 7,000 |
| At 31 December | **371,000** | 355,000 |

The investment properties are held on long term lease in Hong Kong.

The fair values of the Group's investment properties as at 31 December 2025 and 2024 have been arrived on the basis of a valuation carried out on respective dates by Libral Appraisal Limited, an independent qualified professional valuer not connected to the Group. The management of the Group works closely with the valuer to establish the appropriate valuation techniques and inputs to the model and explain the cause of fluctuations in the fair values of the investment properties to the board of directors. Details refer to the note 6(f)(b) to the consolidated financial statements.

At 31 December 2025, the carrying amount of investment properties pledged as security for the Group's bank borrowings amounted to approximately HK$371,000,000 (2024: HK$355,000,000).

## 18. INVESTMENT PROPERTIES (CONTINUED)

Note b:

| | **Lease properties under sub-lease arrangements** *HK$'000* |
|---|---|
| **Cost** | |
| At 1 January 2024 | – |
| Additions | 456,160 |
| Exchange realignment | (5,771) |
| At 31 December 2024 and 1 January 2025 | **450,389** |
| Additions | **28,131** |
| Exchange realignment | **10,418** |
| At 31 December 2025 | **488,938** |
| **Accumulated depreciation:** | |
| At 1 January 2024 | – |
| Charge for the year | 57,247 |
| Exchange realignment | (763) |
| At 31 December 2024 and 1 January 2025 | **56,484** |
| Charge for the year | **83,082** |
| Exchange realignment | **2,448** |
| At 31 December 2025 | **142,014** |
| **Carrying amount** | |
| At 31 December 2025 | **346,924** |
| At 31 December 2024 | 393,905 |

## 18. INVESTMENT PROPERTIES (CONTINUED)

Note b: (Continued)

Shenzhen Tanggang China Asia Electronic City Group Co., Ltd.* (深圳市坐崗中亞電子城集團有限責任公司) ("**China Asia Electronic**" or "**landlord**") is a property investment company established in the PRC and is 60% owned by Mr. Huang Binghuang, an executive director, the chairman, the chief executive officer and the substantial shareholder of the Company. China Asia Electronic as the landlord holds a 350,855 square-meter area within the Silicon Valley Industrial Park ("**Properties**"). In 2024, the Group entered into lease agreements with China Asia Electronic that the Group (as tenant) can sub-lease the Properties to sub-tenants sourced by the Group ("**sub-lease**") since the year ended 31 December 2024 ("**Transaction**"). For more details of the Transaction which was completed in 2024, please refer to the Company's circular dated 31 October 2023. The Group has sub-leased the Properties to sub-tenants to earn rental income since the year ended 31 December 2024. On 1 April 2024, the Group entered into a clarification agreement over the lease agreements with the landlord which undertook that the Group needs to make rental payments to the landlord according to the actual rental receivable by the Group from the sub-lease at a discount.

| | **2025**<br>***HK$'000*** | 2024<br>*HK$'000* |
|---|---|---|
| Repayment of principal portion of lease liabilities | **69,446** | 46,004 |
| Interest paid in lease liabilities | **19,455** | 13,780 |
| Total cash outflows for leases for the year | **88,901** | 59,784 |

## 19. DEPOSITS PAID TO THE LANDLORD

| | **2025**<br>***HK$'000*** | 2024<br>*HK$'000* |
|---|---|---|
| Deposits paid to the landlord | **259,422** | 254,037 |
| Less: provision  for impairment loss | **(3,357)** | – |
| | **256,065** | 254,037 |

In 2024, the Group has made a deposit of approximately HK$305,200,000 to the landlord in relation to the leased properties under sub-lease arrangements. As at 31 December 2025, the carrying amount of the deposit of approximately HK$256,065,000 (2024: HK$254,037,000) was the present value discounted at the effective interest rate of 1.99%.

The directors of the Company have assessed the financial position of the counterparty and are of the opinion that there was no significant increase in credit risk and the expected credit loss was limited to 12-months expected credit losses. Impairment allowance of approximately HK$3,357,000 was recognised under 12-months expected credit losses (2024: Nil).

## 20. PROPERTY, PLANT AND EQUIPMENT

| | Furniture and equipment *HK$'000* | Leasehold improvement *HK$'000* | Motor vehicles *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|
| **Cost:** | | | | |
| At 1 January 2024 | 2,613 | 1,766 | 845 | 5,224 |
| Additions | 285 | 57 | – | 342 |
| Disposal of a subsidiary (note 35) | (10) | – | – | (10) |
| Exchange realignment | (3) | – | – | (3) |
| At 31 December 2024 and 1 January 2025 | **2,885** | **1,823** | **845** | **5,553** |
| Additions | **115** | **399** | **–** | **514** |
| Exchange realignment | **6** | **–** | **–** | **6** |
| At 31 December 2025 | **3,006** | **2,222** | **845** | **6,073** |
| **Accumulated depreciation and impairment loss** | | | | |
| At 1 January 2024 | 2,330 | 1,419 | 608 | 4,357 |
| Charge for the year | 162 | 112 | 113 | 387 |
| Disposal of a subsidiary (note 35) | – | – | – | – |
| Exchange realignment | (3) | – | – | (3) |
| At 31 December 2024 and 1 January 2025 | **2,489** | **1,531** | **721** | **4,741** |
| Charge for the year | **158** | **236** | **74** | **468** |
| Exchange realignment | **3** | **–** | **–** | **3** |
| At 31 December 2025 | **2,650** | **1,767** | **795** | **5,212** |
| **Carrying amount** | | | | |
| At 31 December 2025 | **356** | **455** | **50** | **861** |
| At 31 December 2024 | 396 | 292 | 124 | 812 |

## 21. GOODWILL

| | 2025 HK$'000 | 2024 HK$'000 |
|---|---|---|
| **Cost** | | |
| At 1 January and 31 December | **200** | 200 |

Goodwill was allocated to the provision of property management and other related services operating segment.

Goodwill of approximately HK$200,000 arose from the acquisition of 100% equity interest in Century Elegant Limited ("CEL") and was recognised at the date of acquisition, i.e. 16 November 2023. CEL is principally engaged in provision of property management and other related services.

The recoverable amount of the CGU of CEL has been determined based on a value-in-use calculation which uses cash flow projections based on financial budgets approved by the Directors covering a five-year period with growth rates of 3.1% (2024: 2.0%) per annum for the first year, 3.1% (2024: 0%) per annum for the second to fifth year, with the growth rate of 2.0% (2024: 0%) after the five-year period and at a pre-tax discount rate of 11.9% (2024: 4.5%). Other key assumptions for the value-in-use calculation relate to the estimation of cash inflows/outflows, including budgeted income which is based on the past performance of the CGU and management's expectations for the market development. Based on the impairment assessment, the Directors consider that no impairment of goodwill is recognised for the years ended 31 December 2025 and 2024 based on the recoverable amount of the CGU of CEL.

## 22. TRADE AND OTHER RECEIVABLES

| | 2025 HK$'000 | 2024 HK$'000 |
|---|---|---|
| Trade receivables | **40,501** | 29,260 |
| Less: provision for impairment loss | **(859)** | (1,057) |
| | **39,642** | 28,203 |
| Prepayments | **2,158** | 2,090 |
| Rental and other deposits | **562** | 576 |
| Other receivables | **2,553** | 1,413 |
| Less: provision for impairment loss | **(44)** | – |
| | **5,229** | 4,079 |
| | **44,871** | 32,282 |

The credit term is generally 30 to 60 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the Directors.

## 22. TRADE AND OTHER RECEIVABLES (CONTINUED)

The aging analysis of trade receivables based on the invoice date, and net of allowance, is as follows:

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| 0 to 90 days | **39,285** | 25,232 |
| 91 to 180 days | **237** | 256 |
| 181 to 365 days | **120** | 1,582 |
| Over 365 days | **–** | 1,133 |
| | **39,642** | 28,203 |

Reconciliation of provision for impairment loss on trade receivables:

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| At 1 January | **1,057** | 263 |
| Impairment during the year | **1,664** | 794 |
| Written-off during the year | **(1,862)** | – |
| At 31 December | **859** | 1,057 |

The Group applies the simplified approach under HKFRS 9 to provide for expected credit losses using the lifetime expected loss provision for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

Details of impairment assessment of trade and other receivables are set out in note 6(b) to the consolidated financial statements.

## 23. INVENTORIES

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Horticultural plants | **578** | 555 |
| Others | **5** | 540 |
| | **583** | 1,095 |

## 24. CONTRACT ASSETS

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Unbilled revenue of construction works (note a) | **10,676** | – |
| Retention receivables of construction works (note b) | **4,670** | 3,715 |
| Less: provision for impairment loss | **(424)** | – |
| | **14,922** | 3,715 |

As at 1 January 2024, the balance of contract assets was nil.

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on factors other than passage of time. The contract assets are transferred to trade receivables when the rights become unconditional.

Notes:

(a) Unbilled revenue included in contract assets represents the Group's right to receive consideration for work completed and not yet billed because the rights are conditional upon the satisfaction by the customers on the construction works completed by the Group and the works are pending for the certification by the customers. The contract assets are transferred to the trade receivables when the rights become unconditional, which is typically at the time the Group obtains the certification of the completion construction works from the customers.

(b) Retention receivables represented the monies withheld by customers of contract works fully recoverable within 1 to 2 years from the date of completion of construction contracts, in accordance with the terms specified in the relevant contracts. Generally, upon satisfactory completion of contract work as set out in the contract, partial of the retention money of such contract work will be released to the Group, while the remaining will be released to the Group upon the expiration of the defects liability period.

Details of impairment assessment of contract assets are set out in note 6(b) to the consolidated financial statements.

All contract assets as at 31 December 2025 and 2024, before recognition of impairment loss, were classified as current, as they would be settled, within the normal operating cycle from the end of the reporting period.

## 25. PLEDGED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

| | 2025<br>HK$'000 | 2024<br>HK$'000 |
|---|---|---|
| Cash at bank and on hand | **36,411** | 32,408 |
| Less: Pledged bank deposits | **(12,959)** | (11,947) |
| Cash and cash equivalents | **23,452** | 20,461 |

The carrying amount of cash and bank balances were denominated in HK$ and RMB. Cash and bank balances of the Group include an amount of approximately HK$20,884,000 (2024: HK$19,429,000) denominated in RMB and kept in PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of these funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

Cash at banks earns interest at floating rates based on daily bank deposit rates.

The Group's pledged bank deposits represented deposits pledged to bank to secure bank borrowings granted to the Group as set out in note 28 to the consolidated financial statements.

## 26. TRADE AND OTHER PAYABLES

| | 2025<br>HK$'000 | 2024<br>HK$'000 |
|---|---|---|
| Trade payables | **2,873** | 3,570 |
| Other payables and accrued charges | **26,087** | 24,340 |
| Other tax payables | **1,903** | 555 |
| Contract liabilities (notes a and b) | **25,621** | 14,734 |
| | **56,484** | 43,199 |

## 26. TRADE AND OTHER PAYABLES (CONTINUED)

The aging analysis of trade payables, based on the date of receipt of goods or services, is as follows:

| | **2025** **HK$'000** | 2024 HK$'000 |
|---|---|---|
| 0 to 90 days | **2,873** | 1,305 |
| 91 to 180 days | **–** | 2,265 |
| | **2,873** | 3,570 |

The analysis of other payables and accrued charges are as follows:

| | **2025** **HK$'000** | 2024 HK$'000 |
|---|---|---|
| Accrued operating expenses | **4,145** | 4,517 |
| Other payables | **2,366** | 1,675 |
| Provision for long service payment | **829** | 829 |
| Rental deposit received | **18,747** | 17,319 |
| | **26,087** | 24,340 |

Notes:

(a) As at 31 December 2025 and 2024, as contract liabilities are expected to be recognised as revenue within the Group's normal operating cycle, thus they are classified as current.

(b) Movements in contract liabilities:

| | **2025** **HK$'000** | 2024 HK$'000 |
|---|---|---|
| Balance at 1 January | **14,734** | 1,086 |
| Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period | **(14,734)** | (1,086) |
| Increase in contract liabilities as a result of receiving advance for rental, property management and other related services | **25,621** | 14,734 |
| Balance at 31 December | **25,621** | 14,734 |

## 27. AMOUNTS DUE TO RELATED PARTIES

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Amount due to a related company (note a) | **25,895** | 22,893 |
| Amount due to the Controlling Shareholder (note b) | **40,781** | 21,035 |
| | **66,676** | 43,928 |
| Less: non-current portion | **(54,785)** | (32,633) |
| Current portion | **11,891** | 11,295 |

Notes:

a. As at 31 December 2025, the amount due to a related company is related to a close member of the family of the Controlling Shareholder, the balance is interest free, unsecured and repayable on demand except for approximately HK$14,004,000 (2024: HK$11,598,000) is repayable after twelve months of the end of the reporting period.

b. As at 31 December 2025, the amount due to the Controlling Shareholder represented approximately HK$40,781,000 (2024: HK$15,035,000) that is unsecured, interest-free and repayable after twelve months of the end of the reporting period. In addition to the above, as at 31 December 2024, the amount due to the Controlling Shareholder also consisted of HK$6,000,000 which is unsecured with 3% interest rate per annum and expected to be repayable after twelve months of the end of the reporting period. During the year ended 31 December 2025, the Group has agreed mutually with the Controlling Shareholder and has early repaid the full balance of HK$6,000,000.

## 28. BANK BORROWINGS

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Bank borrowings | **128,000** | 144,000 |

The bank borrowings contain a repayment on demand clause and, accordingly, the bank borrowings are repayable as follow:

| | 2025<br>*HK$'000* | 2024<br>*HK$'000* |
|---|---|---|
| Repayable on demand | **128,000** | 144,000 |

## 28. BANK BORROWINGS (CONTINUED)

Without the effect of the repayment on demand clause and based on the maturity terms of the bank borrowings, the bank borrowings are repayable, according to the repayment schedule as follows:

| | **2025** | 2024 |
|---|---|---|
| | **HK$'000** | HK$'000 |
| Within one year | **16,000** | 16,000 |
| In the second year | **112,000** | 16,000 |
| In the third year to fifth year, inclusive | **–** | 112,000 |
| | **128,000** | 144,000 |

The Company's bank borrowings are denominated in HK$.

The interest rate of the Company's bank borrowings as at 31 December 2025 was 2% per annum over one-month HIBOR or 0.5% per annum below HK$ prime rate, whichever is lower (2024: 2% per annum over one-month HIBOR or 0.5% per annum below HK$ prime rate, whichever is lower).

The bank borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Bank borrowings of HK$128,000,000 (2024: HK$144,000,000) are secured by (i) the investment properties of carrying amount of HK$371,000,000 as disclosed in note 18 to the consolidated financial statements (2024: HK$355,000,000), (ii) a charge over deposits for the total principal amount of not less than HK$4,000,000 together with interest accrued thereon (2024: HK$4,000,000), (iii) bank deposits (excluding the charged portion) of not less than HK$7,000,000 (2024: HK$7,000,000), (iv) deposit of rental income from investment properties to a designated bank account which is charged to the bank, and (v) maintenance of an occupancy rate of 60% or above in investment properties (which, if fallen below 60%, shall be raised by the borrower to 60% or above within three months) (2024: 60% or above).

After the end of the reporting period, the Group has obtained a letter from the bank, the bank does not expect the borrowings would be demanded or cancelled in the next twelve months from the date of the letter unless there is occurrence of an event of default stipulated in the banking facility letter. Taking into account the Group's financial position, the directors of the Company do not consider that it is probable that any event of default will occur in the next twelve months from the date of the letter.

## 29. LEASE LIABILITIES

| | Lease payments | | Present value of lease payments | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 |
| | ***HK$'000*** | *HK$'000* | ***HK$'000*** | *HK$'000* |
| Within one year | **89,494** | 89,234 | **74,008** | 64,879 |
| In the second to fifth years, inclusive | **240,424** | 258,524 | **208,525** | 204,179 |
| Over 5 years | **38,906** | 91,423 | **36,754** | 84,293 |
| | **368,824** | 439,181 | **319,287** | 353,351 |
| Less: Future finance charges | **(49,537)** | (85,830) | **N/A** | N/A |
| Present value of lease liabilities | **319,287** | 353,351 | **319,287** | 353,351 |
| Less: Amount due for settlement within 12 months (shown under current liabilities) | | | **(74,008)** | (64,879) |
| Amount due for settlement after 12 months | | | **245,279** | 288,472 |

As at 31 December 2025, the average effective incremental borrowing rate was ranging from 4% to 6.5% (2024: 5% to 6.5%). Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

## 30. DEFERRED TAX

As at 31 December 2025, the Group has unused tax losses of approximately HK$348,716,000 (2024: HK$346,677,000) available for offset against future profits. No deferred tax asset has been recognised in respect of these tax losses due to the unpredictability of future profit streams. The tax losses of approximately HK$348,716,000 (2024: HK$346,677,000) that are available for offsetting against future profits do not expire under current tax legislation in Hong Kong and PRC. All tax losses are subjected to be agreed by tax authority.

## 31. SHARE CAPITAL

| | **2025** | 2024 |
|---|---|---|
| | ***HK$'000*** | *HK$'000* |
| Authorised: | | |
| 20,000,000,000 ordinary shares of HK$0.05 each | **1,000,000** | 1,000,000 |

## 31. SHARE CAPITAL (CONTINUED)

| | Number of shares in issue | | Share capital | |
|---|---|---|---|---|
| | **2025** | 2024 | **2025** *HK$'000* | 2024 *HK$'000* |
| Ordinary shares of HK$0.05 each | | | | |
| At 1 January | **6,352,702,084** | 2,819,102,084 | **317,635** | 140,955 |
| Conversion of the convertible bonds (note) | **–** | 3,533,600,000 | **–** | 176,680 |
| At 31 December | **6,352,702,084** | 6,352,702,084 | **317,635** | 317,635 |

Note: During the year ended 31 December 2024, the Company issued the convertible bond in the aggregate principal amount of HK$353,360,000 at an interest rate of 3.6% per annum for 3,533,600,000 shares. Subsequent to the issuance of the Convertible Bond, the Subscribers converted all the Convertible Bonds and 3,533,600,000 shares of the Company have then been issued. The owners of all ordinary shares including the Conversion Shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at the meeting of the Company. All ordinary shares including the Conversion Shares rank equally with regard to the Company's residual assets.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to shareholders through the optimisation of debt and equity balance.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Total debt comprises bank borrowings. Adjusted capital comprises all components of equity (i.e. share capital, retained profits and other reserves).

The Group's long-term policy is that net debt should be less than 70% of adjusted capital. This policy aims to ensure that the Group secures access to finance at a reasonable cost and lowers its net of tax weighted average cost of capital. The debt-to-adjusted capital ratios at 31 December 2025 and 2024 were as follows:

| | **2025** *HK$'000* | 2024 *HK$'000* |
|---|---|---|
| Total debt | **128,000** | 144,000 |
| Less: pledged bank deposits | **(12,959)** | (11,947) |
| Less: cash and cash equivalents | **(23,452)** | (20,461) |
| Net debt | **91,589** | 111,592 |
| Equity attributable to owners of the Company | **502,197** | 490,764 |
| Debt-to-adjusted capital ratio | **18%** | 23% |

## 31. SHARE CAPITAL (CONTINUED)

The externally imposed capital requirements for the Group are:

(i) in order to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings.

## 32. CONVERTIBLE BONDS

The Company issued convertible bonds with a principal amount of approximately HK$353,360,000 on 28 March 2024.

The convertible bonds issued during the year ended 31 December 2024 have been split into the liability and equity components as follows:

| | *HK$'000* |
|---|---|
| Fair value of convertible bonds at the date of issuance | **353,360** |
| Less: Equity component | **(79,759)** |
| Liability component at the date of issuance | **273,601** |
| Interest on convertible bonds | **1,482** |
| Conversion of convertible bonds | **(275,083)** |
| Liability component at 31 December 2024 | **–** |

## 33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### (a) Statement of financial position of the Company

| | 2025<br>HK$'000 | 2024<br>HK$'000 |
|---|---|---|
| **Non-current assets** | | |
| Property, plant and equipment | **14** | 18 |
| Investment in subsidiaries | **7,813** | 7,813 |
| Investment properties | **44,498** | 49,918 |
| Deposits paid to the landlord | **256,065** | 254,037 |
| | **308,390** | 311,786 |
| **Current assets** | | |
| Prepayments, deposits and other receivables | **1,457** | 1,459 |
| Pledged bank deposits | **5,959** | 4,908 |
| Cash and cash equivalents | **7,043** | 7,082 |
| | **14,459** | 13,449 |
| **Current liabilities** | | |
| Other payables | **4,080** | 3,772 |
| Amounts due to subsidiaries | **55,287** | 49,374 |
| Amounts due to related parties | **71,236** | 45,780 |
| Lease liabilities | **497** | 547 |
| Bank borrowings | **128,000** | 144,000 |
| | **259,100** | 243,473 |
| **Net current liabilities** | **(244,641)** | (230,024) |
| **NET ASSETS** | **63,749** | 81,762 |
| **Capital and reserves** | | |
| Share capital | **317,635** | 317,635 |
| Reserves | **(253,886)** | (235,873) |
| **TOTAL EQUITY** | **63,749** | 81,762 |

## 33. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

### (b) Reserve movement of the Company:

| | Share premium *HK$'000* | Convertible bond equity component reserve *HK$'000* | Capital redemption reserve *HK$'000* | Capital reserve *HK$'000* | Contributed surplus *HK$'000* | Accumulated losses *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|---|---|
| At 1 January 2024 | 26,770 | – | 121 | – | 234,897 | (655,202) | (393,414) |
| Total comprehensive expense for the year | – | – | – | – | – | (20,621) | (20,621) |
| Issue of convertible bonds | – | 79,759 | – | – | – | – | 79,759 |
| Share issued upon conversion of convertible bonds | 176,680 | (79,759) | – | – | – | – | 96,921 |
| Contribution from substantial shareholders | – | – | – | 1,482 | – | – | 1,482 |
| At 31 December 2024 and 1 January 2025 | **203,450** | **–** | **121** | **1,482** | **234,897** | **(675,823)** | **(235,873)** |
| Total comprehensive expense for the year | **–** | **–** | **–** | **–** | **–** | **(18,013)** | **(18,013)** |
| At 31 December 2025 | **203,450** | **–** | **121** | **1,482** | **234,897** | **(693,836)** | **(253,886)** |

## 34. RESERVES

### (a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

### (b) Nature and purpose of reserves

#### *(i) Share premium reserve*

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. The application of the share premium account is governed by the Companies Act 1981 of Bermuda.

#### *(ii) Capital redemption reserve*

The application of the capital redemption reserve is governed by the Companies Act 1981 of Bermuda.

## 34. RESERVES (CONTINUED)

### (b) Nature and purpose of reserves (Continued)

#### *(iii) Contributed surplus*

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company and the aggregate of the share capital and the share premium accounts of the subsidiaries acquired. Under the Companies Act 1981 of Bermuda, the Company may make distributions to its members out of contributed surplus in certain circumstances.

#### *(iv) Foreign currency translation reserve*

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4 to the consolidated financial statements.

#### *(v) Capital reserve*

The substantial shareholders has waived the interest of convertible bonds during the year ended 31 December 2024.

## 35. DISPOSAL OF A SUBSIDIARY

On 9 October 2024, the Group disposed of its subsidiary, Guizhou Zhonghan Construction Co., Limited* ("貴州中瀚建築工程有限責任公司") ("Guizhou Zhonghan") which is mainly engaged in the provision of construction services of the Group. The net liabilities of Guizhou Zhonghan at the date of disposal were as follows:

Consideration received:

| | ***HK$'000*** |
|---|---|
| Cash received | **240** |

* *For identification purposes only.*

## 35. DISPOSAL OF A SUBSIDIARY (CONTINUED)

**Analysis of assets and liabilities as at the date of disposal over which control was lost:**

| | |
|---|---|
| | ***HK$'000*** |
| Properties, plant and equipment | **10** |
| Inventories | **481** |
| Other receivables | **711** |
| Trade and other payables | **(1,411)** |
| | **(209)** |

**Gain on disposal of a subsidiary:**

| | |
|---|---|
| | ***HK$'000*** |
| Consideration received | **240** |
| Non-controlling interest | **(108)** |
| Net liabilities disposal of | **209** |
| Gain on disposal | **341** |

| | |
|---|---|
| | ***HK$'000*** |
| **Net cash inflow arising on disposal:** | |
| Cash consideration | **240** |

## 36. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

The Group had non-cash additions to leased properties under sub-lease arrangements and addition of lease liabilities of approximately HK$28,131,000 (2024: HK$404,702,000) during the year ended 31 December 2025, details refer to the note 29 to the consolidated financial statements.

### (b) Reconciliation of liabilities arising from financing activities

| | Liabilities portion of convertible bonds *HK$'000* | Amounts due to related parties *HK$'000* | Lease liabilities *HK$'000* | Bank borrowings *HK$'000* | Total *HK$'000* |
|---|---|---|---|---|---|
| At 1 January 2024 | – | 76,774 | 873 | 160,000 | 237,647 |
| Changes in cash flows | 353,360 | (24,545) | (60,920) | (24,257) | 243,638 |
| Non-cash changes | | | | | |
| – Inception of new lease | – | – | 404,702 | – | 404,702 |
| – Interest expenses | 1,482 | 158 | 13,807 | 8,257 | 23,704 |
| – Transfer to related parties | – | (8,459) | – | – | (8,459) |
| – Equity portion | (79,759) | – | – | – | (79,759) |
| – Conversion | (275,083) | – | – | – | (275,083) |
| Exchange realignment | – | – | (5,111) | – | (5,111) |
| At 31 December 2024 and 1 January 2025 | **–** | **43,928** | **353,351** | **144,000** | **541,279** |
| Changes in cash flows | **–** | **22,568** | **(90,002)** | **(21,725)** | **(89,159)** |
| Non-cash changes | | | | | |
| – Inception of new lease | **–** | **–** | **28,131** | **–** | **28,131** |
| – Interest expenses | **–** | **180** | **19,528** | **5,725** | **25,433** |
| Exchange realignment | **–** | **–** | **8,279** | **–** | **8,279** |
| At 31 December 2025 | **–** | **66,676** | **319,287** | **128,000** | **513,963** |

## 37. OPERATING LEASING ARRANGEMENTS

### The Group as lessor

Property rental income earned during the year was approximately HK$118,796,000 (2024: HK$88,983,000). All of the Group's investment properties are held for rental purposes.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases and were receivable as follows:

| | **2025**<br>***HK$'000*** | 2024<br>*HK$'000* |
|---|---|---|
| Year 1 | **111,265** | 101,982 |
| Year 2 | **84,445** | 92,031 |
| Year 3 | **69,271** | 76,592 |
| Year 4 | **68,183** | 66,442 |
| Year 5 | **65,034** | 65,788 |
| Year 6 and onwards | **45,986** | 109,338 |
| | **444,184** | 512,173 |

## 38. RELATED PARTY TRANSACTIONS

Apart from disclosures elsewhere in the consolidated financial statements, the Group entered into the following transactions with related parties during the year:

### (i) Transactions with related parties

| | **2025**<br>***HK$'000*** | 2024<br>*HK$'000* |
|---|---|---|
| Waiver of interest expense on the convertible bond held by the Controlling Shareholder | **1,482** | – |
| Interest expense to the Controlling Shareholder (note a) | **180** | 158 |
| Finance lease payment to China Asia Electronic in relation to the leased properties under sub-lease arrangements (note b) | | |
| – Principal portion | **69,446** | 46,004 |
| – Interest portion | **19,455** | 13,780 |

Notes:

a. During the years ended 31 December 2025 and 2024, these transactions with related party constituted fully exempted continuing connected transactions of the Group. These transactions are de minimis transactions under Rule 20.74(1) of the Listing Rules and therefore all of them are fully exempt from the independent shareholders' approval, annual review and all disclosure requirements under Chapter 20 of the Listing Rules.

b. These transactions with China Asia Electronic are detailed in the circular dated 31 October 2023.

### (ii) Key management personnel compensation

The emoluments of the directors (executive and non-executive) of the Group during the year are disclosed in note 14 to the consolidated financial statements.

## 39. PARTICULARS OF THE PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's subsidiaries which principally affected the results, assets and liabilities of the Group. as at 31 December 2025 were as follows:

| Name | Place of incorporation/establishment and operation and nature of legal entity | Percentage of ownership interest | | Principal activities |
|---|---|---|---|---|
| | | Indirect | Direct | |
| China Graphene Holdings Limited | British Virgin Islands, limited liability company | 100% | – | Investment holding |
| Cheung Kee Garden Limited | Hong Kong, limited liability company | – | 100% | Provision of horticultural services and sales of plants |
| Super Homes Limited | Hong Kong, limited liability company | – | 100% | Investment properties holding |
| Century Elegant Limited | Hong Kong, limited liability company | – | 100% | Provision of property management and other related services |
| China Asia Valley Property Management (Shenzhen) Co., Limited# 中亞烯谷物業管理(深圳)有限公司 | The PRC, limited liability company | – | 100% | Provision of property management and other related services |
| Shenzhen Zhongya Property Co., Limited# 深圳市中雅物業有限公司 | The PRC, limited liability company | – | 100% | Leased properties under sub-lease arrangements and provision of property management and other related services |
| Shenzhen Zhongya Management Co., Limited# 深圳市中雅管理有限公司 | The PRC, limited liability company | – | 100% | Leased properties under sub-lease arrangements and provision of property management and other related services |
| Shenzhen Zhongya Property Operation Co., Limited# 深圳市中雅產業運營有限公司 | The PRC, limited liability company | – | 100% | Leased properties under sub-lease arrangements and provision of property management and other related services |
| Zhongyan Jianshe Construction (Shenzhen) Co., Limited# 中焱建設工程(深圳)有限公司 | The PRC, limited liability company | – | 100% | Provision of construction services |

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## 40. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 27 January 2026, a subsidiary of the Company subscribe for the newly increased registered capital of RMB77,647,100 (approximately HK$86,274,000) in cash in Guangdong You Wei Industrial Co., Ltd. (廣東優威實業有限公司) ("You Wei"), representing 66% of the enlarged total share capital of You Wei. Further details of the transaction can be found on the announcements dated 27 January 2026 and 17 March 2026. The management of the Group will account for the transaction as an acquisition of a group of assets and liabilities that do not constitute a business, as the main purpose for the transaction is for the Group to acquire a piece of industrial land held by You Wei while You Wei did not carry out any business activity at time of the transaction.

## 41. COMPARATIVE FIGURES

During the year ended 31 December 2025, for enhancing the relevance of the presentation of the consolidated financial statements, reclassification have been made to certain comparative figures presented in the consolidated financial statements in respect of the prior year to achieve comparability with the current year's presentation.

## 42. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are approved and authorised for issue by the Board of Directors on 30 March 2026.

# Information of Group's Properties

Particulars of the Group's major properties held for investment as at 31 December 2025 are as follows:

| Location | Existing Use | Gross floor area sq. m. | Percentage interest attributable to the Group |
|---|---|---|---|
| 30 units of The ICON, 38 Conduit Road, Mid-levels, Hong Kong | Residence | 1,953 | 100% |

The above properties are held under a Government Lease for a term of 999 years commencing from 25 June 1861, i.e. long term lease-hold situated in Hong Kong. They are held as investment properties for rental income.

# Financial Summary

A summary of the published results and of the assets and liabilities of the Group for the last five financial years is shown as follows:

| | Year ended 31 December | | | | |
|---|---|---|---|---|---|
| | **2025** | 2024 | 2023 | 2022 | 2021 |
| | ***HK$'000*** | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **RESULTS** | | | | | |
| Revenue | **156,589** | 134,680 | 38,267 | 39,875 | 37,810 |
| Profit/(loss) before tax | **10,185** | 2,785 | 2,417 | (46,617) | 273 |
| Income tax expense | **6** | (220) | (235) | (390) | (603) |
| Profit/(loss) for the year | **10,191** | 2,565 | 2,182 | (47,007) | (330) |
| Profit/(loss) for the year attributable to owners of the Company | **10,191** | 2,565 | 2,509 | (47,007) | (330) |
| Non-controlling interests | **–** | – | (327) | – | – |
| | **10,191** | 2,565 | 2,182 | (47,007) | (330) |

| | As at 31 December | | | | |
|---|---|---|---|---|---|
| | **2025** | 2024 | 2023 | 2022 | 2021 |
| | ***HK$'000*** | *HK$'000* | *HK$'000* | *HK$'000* | *HK$'000* |
| **ASSETS AND LIABILITIES** | | | | | |
| Non-current assets | **975,888** | 1,005,764 | 349,981 | 347,255 | 394,432 |
| Current assets | **96,787** | 69,500 | 248,638 | 24,823 | 29,201 |
| Current liabilities | **(270,414)** | (263,395) | (388,801) | (240,889) | (244,221) |
| Non-current liabilities | **(300,064)** | (321,105) | (76,774) | – | (184) |
| Net assets | **502,197** | 490,764 | 133,044 | 131,189 | 179,228 |
| Equity attributable to owners of the Company | **502,197** | 490,764 | 133,152 | 131,189 | 179,228 |
| Non-controlling interests | **–** | – | (108) | – | – |
| Total equity | **502,197** | 490,764 | 133,044 | 131,189 | 179,228 |

# Information of Group's Subsidiaries

Particulars of the Company's subsidiaries as at 31 December 2025 and 2024 were as follows:

| Name | Place of incorporation/establishment and operation and nature of legal entity | Percentage of ownership interest Indirect | Percentage of ownership interest Direct | Principal activities |
|---|---|---|---|---|
| China Graphene Holdings Limited | British Virgin Islands, limited liability company | 100% | – | Investment holding |
| Cheung Kee Garden Limited | Hong Kong, limited liability company | – | 100% | Provision of horticultural services and sales of plants |
| China Graphene Hotel Limited | Hong Kong, limited liability company | – | 100% | Inactive |
| China Graphene Limited | Hong Kong, limited liability company | – | 100% | Investment holding |
| Raglan Investments Limited | British Virgin Islands, limited liability company | – | 100% | Investment holding |
| Sui Chong Finance Limited | Hong Kong, limited liability company | – | 100% | Investment holding |
| Sui Chong International Resources Limited | Hong Kong, limited liability company | – | 100% | Provision of project management related services |
| Vision Securities Limited | Hong Kong, limited liability company | – | 100% | Investment holding |
| Super Homes Limited | Hong Kong, limited liability company | – | 100% | Investment properties holding |
| Century Elegant Limited | Hong Kong, limited liability company | – | 100% | Provision of property management and other related services |
| Ashwell Enterprises Limited | British Virgin Islands, limited liability Company | – | 100% | Investment holding |
| Delight Colour Limited | British Virgin Islands, limited liability Company | – | 100% | Investment holding |
| Luxurious Time Properties Limited | British Virgin Islands, limited liability Company | – | 100% | Investment holding |
| Junchan International (HK) Group Limited | Hong Kong, limited liability Company | – | 100% | Investment holding |
| Shenzhen Zhongbang Smart Community Technology Co., Limited# 深圳市中邦智能社區科技有限公司 | The PRC, limited liability company | – | 100% | Investment holding |

# Information of Group's Subsidiaries

| Name | Place of incorporation/establishment and operation and nature of legal entity | Percentage of ownership interest Indirect | Direct | Principal activities |
|---|---|---|---|---|
| Zhongbang Rongtong Financial Leasing (Shenzhen) Co., Limited# 中邦榮通融資租賃(深圳)有限公司 | The PRC, limited liability company | – | 100% | Investment holding |
| China Asia Valley Property Management (Shenzhen) Co., Limited# 中亞烯谷物業管理(深圳)有限公司 | The PRC, limited liability company | – | 100% | Provision of property management and other related services |
| Shenzhen Zhongya Property Co., Limited# 深圳市中雅物業有限公司 | The PRC, limited liability company | – | 100% | Leased properties under sub-lease arrangements and provision of property management and other related services |
| Shenzhen Zhongya Management Co., Limited# 深圳市中雅管理有限公司 | The PRC, limited liability company | – | 100% | Leased properties under sub-lease arrangements and provision of property management and other related services |
| Shenzhen Zhongya Property Operation Co., Limited# 深圳市中雅產業運營有限公司 | The PRC, limited liability company | – | 100% | Leased properties under sub-lease arrangements and provision of property management and other related services |
| Zhongyan Jianshe Construction (Shenzhen) Co., Limited# 中焱建設工程(深圳)有限公司 | The PRC, limited liability company | – | 100% | Provision of construction services |
| Zhongya Zhigu (Zhong Shan) Investment Development Co., Limited# 中亞智谷(中山)投資發展有限公司 | The PRC, limited liability company | – | 100% | Investment development |
| Zhongya China Asia Valley Property Management (Quan Zhou) Co., Limited# 中雅烯谷物業管理(泉州)有限公司 | The PRC, limited liability company | – | 100% | Provision of property management and other related services |

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創新 | 務實 | 開拓 | 共贏

大 鵬 一 日 同 風 起
扶 搖 直 上 九 萬 里

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