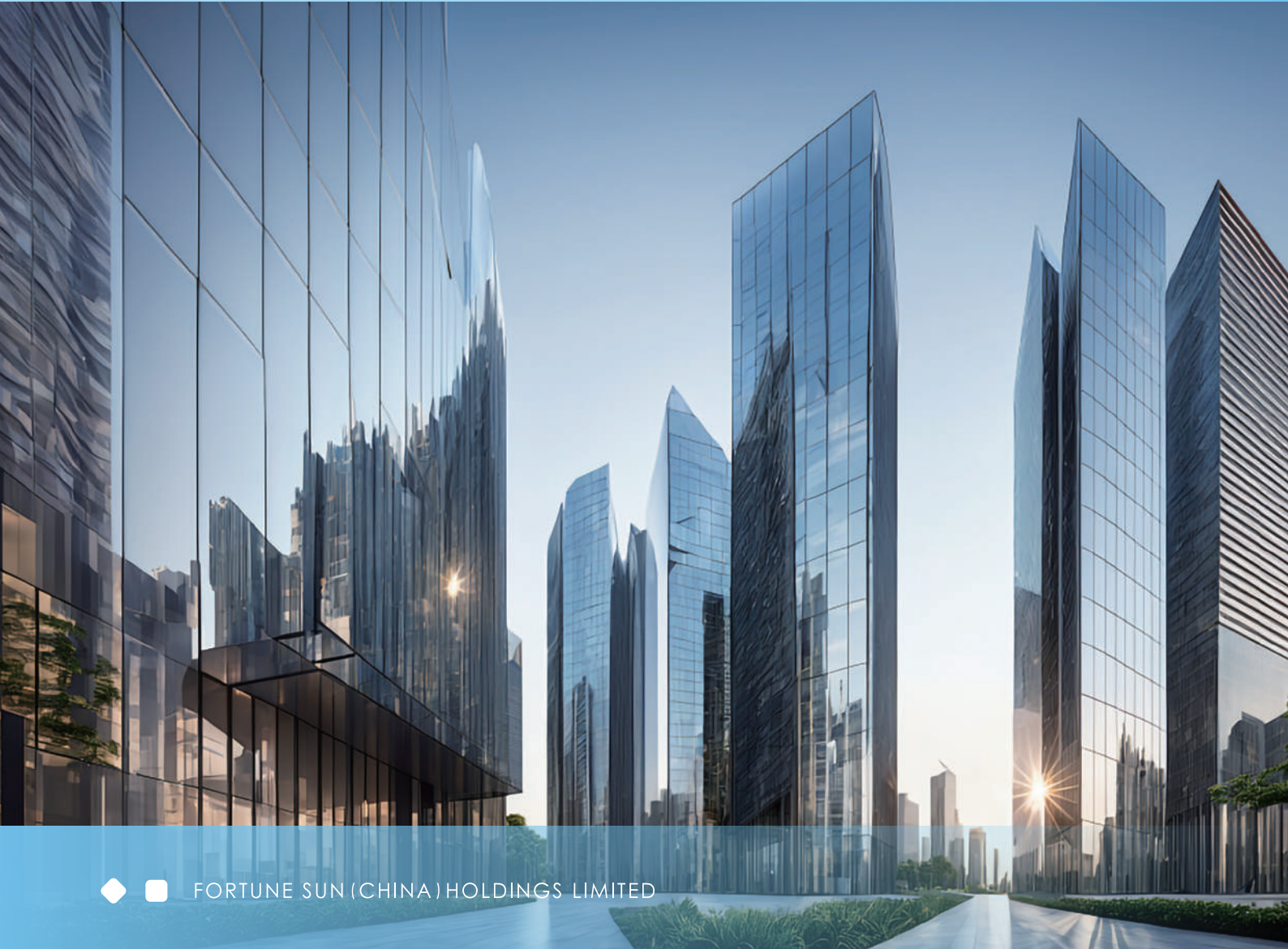




Fortune Sun (China) Holdings Limited
富陽(中國)控股有限公司
(Incorporated in the Cayman Islands with limited liability)
Stock Code: 00352

FORTUNE SUN

Annual Report
2025 FORTUNE SUN



CONTENTS

	<i>Page</i>
Corporate Information	2
Chairman's Statement	4
Directors and Senior Management	6
Management Discussion and Analysis	9
Environmental, Social and Governance Report	15
Directors' Report	70
Corporate Governance Report	87
Independent Auditor's Report	104
Consolidated Statement of Profit or Loss and Other Comprehensive Income	110
Consolidated Statement of Financial Position	112
Consolidated Statement of Changes in Equity	114
Consolidated Statement of Cash Flows	115
Notes to the Consolidated Financial Statements	117
Summary of Financial Information	175
Summary of Major Properties	176

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Chiang Chen Feng (*Chairman*)
Ms. Chang Hsiu Hua
Mr. Han Lin (Resigned on 28 November 2025)
Ms. Wang Jia (Appointed on 28 November 2025)

Non-executive Director

Ms. Lin Chien Ju

Independent Non-executive Directors

Mr. Cui Shi Wei
Mr. Lam Chun Choi
Mr. Chow Yiu Ming

EXECUTIVE COMMITTEE

Mr. Chiang Chen Feng (*Chairman*)
Ms. Chang Hsiu Hua
Mr. Han Lin (Resigned on 28 November 2025)
Ms. Wang Jia (Appointed on 28 November 2025)

AUDIT COMMITTEE

Mr. Chow Yiu Ming (*Chairman*)
Mr. Cui Shi Wei
Mr. Lam Chun Choi

REMUNERATION COMMITTEE

Mr. Cui Shi Wei (*Chairman*)
Mr. Lam Chun Choi
Mr. Chow Yiu Ming

NOMINATION COMMITTEE

Mr. Chiang Chen Feng (*Chairman*)
Mr. Lam Chun Choi
Mr. Chow Yiu Ming

REGISTERED OFFICE

P.O. Box 31119 Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN THE PRC

Unit 901
9th Floor
Orient Building
No. 1500 Century Avenue
Pudong New District
Shanghai 200122
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 80, 8th Floor
Woon Lee Commercial Building
7-9 Austin Avenue
Tsim Sha Tsui, Kowloon
Hong Kong

CAYMAN ISLANDS SHARE REGISTRAR AND TRANSFER OFFICE

Vistra (Cayman) Limited
P.O. Box 31119
Grand Pavilion
Hibiscus Way, 802 West Bay Road
Grand Cayman
KY1-1205
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

STOCK CODE ON THE STOCK EXCHANGE OF HONG KONG LIMITED

00352

COMPANY WEBSITE

www.fortune-sun.com

COMPANY SECRETARY

Mr. Lui Cheuk Wah

COMPLIANCE OFFICER

Ms. Chang Hsiu Hua

AUTHORISED REPRESENTATIVES

Ms. Chang Hsiu Hua
Mr. Lui Cheuk Wah

AUDITOR

Confucius International CPA Limited
Certified Public Accountants

PRINCIPAL BANKERS

PRC

China Minsheng Banking Corporation Limited

Hong Kong

OCBC Wing Hang Bank Limited
Bank of China (Hong Kong) Limited

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors") of Fortune Sun (China) Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2025 (the "Year").

In 2025, China's economy recorded a GDP of RMB 140.19 trillion, representing year-on-year growth of 5.0%. Despite moderating momentum in the second half of the year, performance successfully met the government's annual target.

Recently, the PRC government's continued its rollout of supportive measures, including relaxed purchase restrictions in major cities and improved developer financing conditions. While the sector transitions from scale expansion to quality operations, this challenging backdrop created specific opportunities for agile service providers capable of delivering differentiated value. The Group capitalized on this inflection point by shifting strategic focus from commoditized agency services toward high-value consultancy in distressed assets and specialized market segments—a repositioning that would yield substantial results during the Year.

The Group achieved a successful turnaround in 2025, returning to profitability after the challenging prior years. This recovery was driven by our strategic shift from traditional agency services toward high-value consultancy in distressed assets and specialized market segments. This repositioning enabled us to capture superior margins and restore profitability by capitalizing on dislocations within the market. To support this growth, we strengthened and increased our workforce by 20% by year-end to enhance operational efficiency and business origination capabilities.

Looking ahead to 2026, the real estate market is expected to continue stabilizing following the early recovery signals observed in late 2025. While uncertainties persist regarding the pace of policy implementation, the sector appears to have passed its inflection point, with housing prices stabilizing and transaction volumes showing signs of healthier turnover. This environment particularly favors our distressed asset focus and advisory capabilities, positioning us to capture growth as the market consolidates.

In 2026, the Group will continue to keep abreast of economic and market developments on domestic levels, and adjust the market positioning of the Group accordingly to better exert our advantages in experience, while taking full advantage of existing resources in the industry considering the real estate and relevant fiscal policies of the PRC government. On the other hand, the Group will strive to cut operating expenses by strengthening budget management and cost control, as well as to strictly control its cash flow, so as to ensure a healthy financial situation for sustainable and stable long-term development.

Given the need to capture investment opportunities and fund strategic growth initiatives in 2026, the Board does not recommend payment of a final dividend for the year ended 31 December 2025.

Last but not least, I would like to extend my appreciation to all the members of the Board, the management, and the staff for their ongoing efforts over the past year. I also wish to express my sincere gratitude to our shareholders, customers, and business partners for their consistent trust in the Group and support to the Group. We will continue to fulfill the resumption guidance and dedicate our efforts towards the long-term development of the Group and strive for satisfactory returns for the shareholders.

By Order of the Board of

Fortune Sun (China) Holdings Limited

Chiang Chen Feng

Chairman

31 March 2026

Hong Kong

Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Chiang Chen Feng (江陳鋒), aged 61, is the Chairman and an executive Director since February 2003 and one of the founders of the Group. Mr. Chiang graduated from Feng Chia University (逢甲大學) in Taiwan in June 1989 with a bachelor's degree in business management and started to engage in real estate property valuation and market research. During 1995 to 1996, Mr. Chiang was a researcher of Coastal Greenland Limited (Stock Code: 01124) (the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange")), and focused on the PRC market. Mr. Chiang co-founded the Group in April 1997 and was appointed as a director of Shanghai Fu Yang Property Consultant Co., Limited (上海富陽物業諮詢有限公司) ("Shanghai Fortune Sun"), a wholly-owned subsidiary of the Company, since then. He is also a director of each of the other subsidiaries of the Company. Mr. Chiang is the spouse of Ms. Chang Hsiu Hua, an executive Director. Mr. Chiang is currently the director of Active Star Investment Limited, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance as disclosed in the section headed "Directors' Report – Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this report.

Ms. Chang Hsiu Hua (張秀華), aged 60, has been appointed as an executive Director since March 2004. Ms. Chang obtained her bachelor's degree in public finance from Feng Chia University (逢甲大學) in Taiwan in June 1988. In 1988, Ms. Chang joined Subaru Motors Co., Ltd. (仲慶汽車有限公司) and was responsible for valuation and insurance matters. In January 1993, she commenced working at Equity Law Firm (衡平法律事務所) and was responsible for legal related matters. Ms. Chang joined Shanghai Fortune Sun as a manager of the finance department in July 1997 and she was appointed as a member of the senior management of Shanghai Fortune Sun in January 2000 and has been responsible for financial management. In August 2005, Ms. Chang was appointed as a director of Shanghai Fortune Sun. She is also a director of three other subsidiaries of the Company. Ms. Chang is the spouse of Mr. Chiang Chen Feng, the Chairman and an executive Director. Ms. Chang is currently the director of Active Star Investment Limited, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance as disclosed in the section headed "Directors' Report – Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this report.

Directors and Senior Management

Ms. Wang Jia (王佳), aged 56, is a director of Shanghai Fortune Sun and is responsible for supervising all development projects and managing the day-to-day operations of the Group. Ms. Wang joined the Group in April 1997 and had hold the positions of the executive, the assistant manager, manager and the deputy general manager and the general manager of sales department, the regional senior manager and the deputy regional general manager of sales department in Shanghai Fortune Sun. Ms. Wang graduated from Shanghai University in July 1992, majoring in mechanical design and manufacturing. Ms. Wang has over 25 years of experience in property sales and marketing and is also a holder of Certificate for Real Estate Brokers in Shanghai (上海房地產經紀人證書). For details of Ms. Wang's interest in the shares of the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, please refer to the section headed "Directors' Report – Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this report.

Non-executive Director

Ms. Lin Chien Ju (林倩如), aged 53, has been appointed as a non-executive Director since March 2004. Ms. Lin obtained a Hospitality Management Diploma from the Educational Institute of the American Hotel and Motel Association in April 1996 and she obtained a bachelor's degree in Business Administration from the American University in London in August 1996. Ms. Lin received her Master of Arts Degree in Management from the Dominican University of California, the United States in May 1998. Ms. Lin is one of the co-founders of the Group. Ms. Lin has been a director of Shanghai Fortune Sun since April 1997. Ms. Lin is currently a director of Upwell Assets Corporation, which has an interest in such number of shares of the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance as disclosed in the section headed "Directors' Report – Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this report.

Independent Non-executive Directors

Mr. Cui Shi Wei (崔士威), aged 74, has been appointed as an independent non-executive Director since June 2006. Mr. Cui obtained master's degree in Law from the Jilin University in the PRC in July 1986. Mr. Cui was a lecturer at the Law School of Jilin University (吉林大學法學學院) from July 1986 to July 1992. Mr. Cui worked as a senior management member of two nationwide insurance companies and Coastal Greenland Limited (Stock Code: 01124), the shares of which are listed on the Stock Exchange.

For details of Mr. Cui's interest in the shares of the Company under Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, please refer to the section headed "Directors' Report – Substantial Shareholders' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company" in this report.

Directors and Senior Management

Mr. Lam Chun Choi (林俊才), aged 57, has been appointed as an independent non-executive Director since September 2017. Mr. Lam received a bachelor's degree in Social Sciences from the University of Hong Kong in 1990, and qualified as a Hong Kong lawyer in 1997. Mr. Lam provided legal advisory service in international law firms and multinational listed companies. He has over 20 years of experience in corporate finance, company and business-related legal and regulatory compliance.

Since March 2024, Mr. Lam has been a Guangdong-Hong Kong-Macao Greater Bay Area Lawyer of China Commercial Law Firm. He left Tony Au & Co, a Hong Kong law firm, as a consultant in March 2025.

Mr. Chow Yiu Ming (鄒耀明), aged 52, has been appointed as an independent non-executive Director since June 2019, and holds a Bachelor of Business Administration degree, majoring in Accounting, Finance, from the University of Hong Kong and a Master of Science in Professional Accountancy degree from the University of London. He is a fellow member of the Association of Chartered Certified Accountants, a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of The Hong Kong Institute of Directors. He has over 24 years of experience in accounting, auditing, financial management and corporate finance, and had held several senior management positions, including chief financial officer and company secretary, in a number of listed and private companies in Hong Kong. He is currently the chief financial officer and company secretary of Lee's Pharmaceutical Holdings Limited (Stock Code: 950) listed on the Main Board of the Stock Exchange.

SENIOR MANAGEMENT

Mr. Zhang Cheng (章誠), aged 44, has been appointed as chief operating officer on 1 September 2025, who is primarily responsible for business originations and operational development in the PRC. Mr. Zhang holds a master's degree in accounting from Soochow University and is a Certified Public Accountant in China. He possesses over 17 years of experience in auditing, risk management, and operations. Mr. Zhang previously worked as a senior auditor at PricewaterhouseCoopers, where he performed extensive credit audits for major state-owned banks, thereby gaining significant expertise in bank credit auditing. Additionally, Mr. Zhang has held the position of senior executive in the at the head office of Bank of Communications. Furthermore, Mr. Zhang is the vice general manager of an asset management company (上海旭程資產管理有限公司) located in Shanghai, he is responsible for overseeing the operational management of the company's non-performing asset investment business.

Mr. Lui Cheuk Wah (呂焯華), aged 41, is the company secretary of the Company. Mr. Lui has over 10 years of experience in the accounting and financial industry. Prior to joining the Group, Mr. Lui was an assistant audit manager of RSM Hong Kong. He obtained a Bachelor of Commerce, major in accounting from Curtin University of Technology in Australia and a Master of Corporate Governance from The Hong Kong Polytechnic University. He is a member of the Certified Practising Accountant Australia and the Hong Kong Institute of Certified Public Accountants and an associate member of The Hong Kong Chartered Governance Institute, (formerly known as The Hong Kong Institute of Chartered Secretaries).

BUSINESS REVIEW

The Group is principally engaged in property-related business, which is the provision of property development, planning, consultancy and sales agency services (including property management services) for the property market in the PRC.

The Group announces that for the year ended 31 December 2025, it recorded a revenue of RMB20,437,000, representing an increase of 1,414% as compared with the year ended 31 December 2024. Profit attributable to equity holders amounted to approximately RMB11,837,000 for the year ended 31 December 2025 as compared to the loss attributable to equity holders of approximately RMB7,596,000 for the year ended 31 December 2024. The sharp turnaround of the Group's results is mainly attributable to the secured various new binding contracts including a high-value contract which the project is located in Foshan and consists of two phases, with an expected project duration of two years.

Navigating Challenging Market Dynamics and Breaking the Mold

After a thorough assessment of intensifying competitive pressures and diminishing margins in saturated markets, the Group is strategically pivoting from a Red Ocean approach, characterized by fierce rivalry, incremental gains, and head-to-head battles for existing demand, to a Blue Ocean strategy. This transition prioritizes value innovation by creating uncontested market spaces, where the Group can simultaneously pursue differentiation and cost efficiency to unlock new demand and make competition irrelevant.

Expanded Workforce and Appointment of the Chief Operating Officer

During the Year, the workforce has also been expanded to 30 employees, including management, business origination, research, sales and back-office team members, with more targeted hires in sales and consultancy roles.

In 2025, the Group appointed Mr. Zhang Cheng as its chief operating officer, who is primarily responsible for market coverage, business originations and operational development in the PRC. Mr. Zhang holds a master's degree in accounting from Soochow University and is a Certified Public Accountant in China. He possesses over 17 years of experience in auditing, risk management, and operations.

Under the leadership of the newly appointed chief operating officer, this has successfully led to improved sales cooperation, enhanced operational efficiencies, and a turnaround of financial results in the Group's property-related business operations.

Management Discussion and Analysis

Foshan Project – Current Year Primary Revenue Driver

For the year ended 31 December 2025, the Group's revenue from property-related business amounted to approximately RMB20,437,000 (2024: RMB1,350,000). Of this, RMB20,000,000 was generated from property consultancy services for the major project in Foshan, which typically yields a significantly higher profit margin compared to the sales agency service. The RMB437,000 recognised in 2025 and the entire RMB1,350,000 recognised in 2024 were derived from other consultancy and sales agency services projects.

The Foshan project comprises two phases with an expected duration of two years. The first phase includes various villas with a total gross floor area of approximately 19,000 sq.m. Located in a well-established residential district with comprehensive public facilities and excellent transportation networks, the project targets upgrading and premium buyers who value privacy, exclusivity and convenience. The combination of mature surrounding amenities, strong connectivity and a phased sales strategy is expected to facilitate steady sell-through rates while maintaining premium pricing.

Following the issuance of the pre-sale permit, the Group will provide sales agency services for the project. Should the first phase achieve the expected sales performance, the Company anticipates being awarded an exclusive contract for the second phase, which is currently under construction and has a similar gross floor area of approximately 20,000 sq.m.

PROSPECTS AND OUTLOOKS

The Worst is Over for the Property Market

The PRC real estate market overview

In 2025, PRC real estate market showed early signs of recovery. Economic growth, urbanization, and rising living standards in the PRC continue to fuel demand for properties, though the sector faces headwinds from regulatory tightening and affordability pressures. The real estate industry remains closely tied to overall economic expansion, including residents' growing purchasing power and demand for residential, commercial, and industrial spaces.

The industry is anticipated to face both fresh opportunities and challenges in 2026. As the economy steadily recovers, it is expected that consumer confidence will improve, leading to a corresponding increase in market demand. With ongoing government assistance and market adjustments, housing prices are expected to remain stable. It is believed that the real estate market will experience healthier turnover, allowing for considerable room for the Group's business growth. The Group will persist in concentrating on the property sector, enhance its presence in key city clusters, and aim for vigorous development.

Strategic Priorities

As the Group looks ahead, its strategic priorities are firmly centered on capitalising on the recovery of the PRC property market while proactively adapting to evolving industry dynamics. The Group remains cautiously optimistic about the outlook, closely monitoring the following three key developments that may shape the market landscape:

1. **Pace of Market Recovery:** The Group will closely monitor the pace of the property market's recovery in PRC, as a sustained rebound is crucial for the Group to maintain a positive trajectory. In 2025, the PRC's real estate market showed early signs of recovery. However, the prospective trajectory is uncertain as the economic policies of the current U.S. President is highly unpredictable. If tariff imposition rekindles the inflation scare, the impacts of forthcoming interest rate trend on the market will be hard to ascertain, which might affect the PRC property market.
2. **Value innovation and the reconstruction of market boundaries:** Align with its Blue Ocean strategy, the Group continuing to target potential customers in emerging segments such as the distressed assets sector, and foster long-term profitable growth while reducing risks from cutthroat competition. At the same time, the Group will strive to cut operating expenses by means of strengthening budget management and cost control, so as to pursue long-term development for the Group and preservation of value to the shareholders of the Company.
3. **Developers' Sales Strategies:** The Group anticipates that developers will continue to speed up the pace of offloading inventories, pursuing a volume-driven strategy in the near term, creating a relatively favourable environment for the business of property consultancy and agency services.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had net current assets of approximately RMB23,052,000 (2024: RMB11,164,000), total assets of approximately RMB41,685,000 (2024: RMB27,602,000) and equity attributable to owners of the Company of approximately RMB15,364,000 (2024: RMB3,705,000).

As at 31 December 2025, the fixed bank deposits and bank and cash balances of the Group amounted to approximately RMB10,039,000 (2024: RMB3,489,000), of which approximately RMB6,270,000 were denominated in Renminbi, RMB1,229,000 were denominated in US dollars and RMB2,540,000 were denominated in Hong Kong dollars.

BANK BORROWINGS AND OVERDRAFTS

The Group had no bank borrowings or overdrafts as at 31 December 2025 (2024: Nil).

Management Discussion and Analysis

INDEBTEDNESS AND CHARGE ON ASSETS

As at 31 December 2025, the Group did not have any short term borrowing (2024: Nil) and had long term borrowing of RMB17,923,000 (2024: RMB18,000,000) which will mature on 31 December 2027.

As at 31 December 2025, the Group had total borrowing of RMB17,923,000, which was unsecured. The gearing ratio of the Group (calculated on the basis of total bank and other borrowings over total equity) was 116.7% (2024: 485.8%).

As at 31 December 2025, there was no charge over any assets of the Group.

FOREIGN EXCHANGE RISKS

As the Group's sales are denominated in Renminbi, the Group's purchases and expenses are either denominated in Renminbi, United States dollar or Hong Kong dollar, and there is no significant foreign currency borrowings, the Group's currency fluctuation risk is considered insignificant. The Group currently does not have a foreign currency hedging policy. However, the management continuously monitors the foreign exchange risk exposure and will consider to hedge significant currency risk exposure should the need arise.

MATERIAL ACQUISITIONS AND DISPOSALS

As at 31 December 2024, the Group has subscribed for wealth management products offered by two licensed banks established under the laws of the PRC and both are listed on the Shanghai Stock Exchange which constituted Major Transactions (as defined under the Listing Rules). As at 31 December 2025, the entire principal amount subscribed for the unlisted wealth management products has been fully redeemed.

For details, please refer to the announcement of the Company dated 7 July 2025.

MAJOR INVESTMENTS

As at the date of this report, the Group has no future plans for material investments or capital assets.

INTEREST RATE RISKS

The Group's exposure to interest rate risk mainly stemmed from fluctuations of interest rates for the Group's bank balances and other borrowings with fixed interest rate, as the Group had no bank borrowings as at 31 December 2025 (2024: Nil).

STAFF AND THE GROUP'S EMOLUMENT POLICY

As at 31 December 2025, the Group had a total of 30 staff (2024: 25 staff). The Group recorded staff costs (excluding directors' remuneration) of approximately RMB5,271,000 (2024: RMB3,697,000) during the year ended 31 December 2025.

The emolument policies of the Group are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibility, merit, qualifications and competence, as well as comparable market statistics and state policies. The emolument policies of the Group are reviewed by the management of the Group regularly.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).

CAPITAL COMMITMENTS

The Group had no material capital commitments as at 31 December 2025 (2024: Nil).

IMPORTANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

Suspension of trading on the Stock Exchange

Trading in the Shares of the Company on The Stock Exchange of Hong Kong Limited has been suspended with effect from 9:00 a.m. on 9 September 2025 and will remain suspended until the fulfillment of the resumption guidance as specified by the Stock Exchange.

Resumption guidance

On 12 September 2025, the Company received a letter from the Stock Exchange setting out the following guidance for the resumption of trading in the Shares (the "Resumption Guidance"):

- (i) demonstrate its compliance with Rule 13.24; and
- (ii) inform the market of all material information for the Shareholders and investors to appraise the Company's position.

For details regarding the Resumption Guidance, please refer to the announcement of the Company dated 17 September 2025.

Management Discussion and Analysis

Progress of fulfillment of the Resumption Guidance

As at the date of this report, the Company has appointed a financial advisor and submitted a resumption proposal (the “Resumption Proposal”) to the Stock Exchange in support of the resumption of trading of the Shares. The Resumption Proposal sets out, among other things, the latest business operation and financial performance of the Company to demonstrate its compliance with Rule 13.24 of the Listing Rules.

As at the date of this report, the Group has successfully revitalized its original principal activities by securing several binding new revenue contracts. The workforce has also been expanded, including management, business origination, research, sales and back-office team members. These efforts together establish a sustainable revenue trajectory, thereby restoring operational viability and scale, as well as effective control on them. Moreover, to demonstrate business of substance, the company’s origination team is advancing new business opportunities and is building up a good reserve of pipeline projects in the coming future.

For further details, please refer to the quarterly update announcements of the Company dated 8 December 2025 and 13 March 2026.

Important events subsequent to the financial year

Save for the matters disclosed herein, as of the date of this report, there were no important events after 31 December 2025 that might have a material impact on our operations and financial results.

BOARD STATEMENT

Dear Stakeholders,

The Group is pleased to present the 2025 Environment, Social and Governance Report. We place the sustainable development goal at the forefront of our long-term objectives, integrating climate-related risks and opportunities, and ESG elements into the long-term planning of the Group's business strategy. The Group has established a three-tier ESG governance structure. As the highest leadership body, the Board holds overall responsibility for supervising and overseeing ESG matters, and for reviewing and approving key operational strategies and policies, including those relating to climate change. At the management level, the Management leads and supervises the ESG Working Group, reviews ESG (including climate-related) matters and reports regularly to the Board. At the execution level, the ESG Working Group supports the development of ESG and climate-related action plans, implements internal ESG policies, and monitors ESG (including climate-related) matters and progress towards achieving the relevant targets.

The Group believes sustainable development plays an important role in maintaining its business development and long-term growth. As a provider of property consultancy and sales agency services, although our operations have a relatively lower environmental impact as compared to other industries, we strive in continuing to look for appropriate opportunities to minimise our environmental footprint in our daily operations. We have set clear short-term targets, the reduction on emissions by 3% by 2026. Following the short-term targets, the Group ensures its greenhouse gas emissions comply with the local target on or before 2030, as well as long-term sustainability visions to achieve carbon neutrality by 2050 in Hong Kong and by 2060 in the PRC. To achieve this, the Group has established relevant emission reduction targets and corresponding strategies to integrate sustainability considerations into our strategic planning, business model and other decision-making processes.

In terms of the social aspect and business operations, the Group not only abides by relevant national and local laws and regulations but also continuously enhances our corporate governance and our communication with stakeholders to understand their needs and expectations, so as to formulate and constantly optimise existing policies, management procedures and measures. We regularly review our communication channels and platforms with stakeholders to ensure the information flow effectively captures the concerns of key stakeholders. This proactive approach enables us to address the critical issues, resulting in substantial positive impacts on our business.

During the Reporting Period, the Group aims to minimise its impacts towards the environment. Consistent advancements have been made regarding our environmental performances, including emission reduction and resource optimization. We value our employees as a great asset, as they drive the Group's business growth. During the Reporting Period, the Group has conducted effective communication with the Group's employees internally and has actively worked towards enhancing employee's welfare by demonstrating genuine care in daily operations. We firmly uphold the belief that displaying respect towards our employees not only yields benefits but also enhances our contribution to society.

With a strategic focus on creating long-term benefits and value for the environment, our employees and the communities, the Board will proactively and continuously review and implement policies on environmental protection and elevate social care to foster sustainable development.

Regards,

Chiang Chen Feng

Chairman

Fortune Sun (China) Holdings Limited

Environmental, Social and Governance Report

ABOUT THE GROUP

Fortune Sun (China) Holdings Limited (the “Company” together with its subsidiaries, hereinafter referred to as the “Group” or “we” or “us”) is an investment holding company, and is one of the largest providers of one-stop property-related business, including property development, planning, consultancy and sales agency services (including property management services) for the property markets in the PRC. With operational headquarters based in Shanghai, the Group offers services covering four value-based service systems, namely property investment management, property finance business, property sale and marketing business and property information business. Adhering to the philosophy of “Advancing the World from the PRC” (從中國升起·向全球發光), on the basis of being rooted and based in the PRC and with the integration of unique elements in the PRC, the Group has been stepping up the exploration of overseas Chinese markets worldwide, and relentlessly providing the Chinese at home and abroad with international property consultancy services of great value and essence.

ABOUT THIS REPORT

The Group is pleased to present our 2025 Environmental, Social and Governance Report (the “Report”), with summaries the Group’s policies, measures and performance on the key environmental, social and governance (“ESG”) issues.

Reporting Period

The Report illustrates the overall performance of the Group regarding the environmental and social aspects from 1 January 2025 to 31 December 2025 (the “Reporting Period”).

Reporting Scope and Boundaries

The information disclosed in the Report covers its property-related business, including property development, planning, consultancy and sales agency services (including property management services) for the property markets in the PRC, with key locations including Shanghai, Hong Kong and Guangdong Province.

During the Reporting Period, the Group expanded its business with new project in Guangdong Province. Environmental KPIs cover the Group’s operations in Shanghai, while social KPIs cover its operations in PRC (including Shanghai, Hong Kong and Guangdong Province). If the scope and boundaries of the specific contents vary, they are noted in the relevant section of the Report.

The Group is continuously enhancing its environmental data collection and management systems, and will proactively expand environmental data disclosure to provide a more complete and accurate representation of its sustainability performance.

Reporting Basis

The Report is prepared in accordance with the ESG Reporting Code as set out in Appendix C2 “Environmental, Social and Governance Reporting Code” (“the Code”) of the “Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited” (the “Main Board Listing Rules”) issued by the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and on the basis of the four reporting principles – materiality, quantitative, balance and consistency:

- “Materiality” Principle: The Group determines material ESG issues by stakeholder engagement and materiality assessment. Details are explained in the section headed “Materiality Assessment”. For the purpose of Part D of this Code, the Group discloses information about climate-related risks and opportunities that could reasonably be expected to affect its cash flows, its access to finance or cost of capital over the short, medium or long term.
- “Quantitative” Principle: Information is presented with quantitative measure, whenever feasible, including information on the standards, methodologies, assumptions used and provision of comparative data.
- “Balance” Principle: The Report identifies the achievements and challenges faced by the Group.
- “Consistency” Principle: The Report uses consistent methodologies as the previous reports for meaningful comparisons. Descriptions are provided if they are affected by any changes.

The Report has complied with all “comply or explain” provisions outlined in the ESG Code.

The information contained herein is sourced from official documents and statistics of the Group, as well as the combined control, management and operations information provided by the subsidiaries in accordance with the Group’s relevant policies. A complete content index is appended to the last chapter hereof for reference. The Report is prepared and published in both Chinese and English. In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

Review and Approval

This Report was approved by the Board of Directors of the Group (the “Board”) on 31 March 2026 after confirmation by the management of the Group. An electronic version of this Report is available on the HKEX news website (www.hkexnews.hk).

Information and Feedback

If you have any comments and advice on this Report or our performance on sustainable development, please contact us by email at info@fortune-sun.com. Your feedback would greatly help us continuously improve our policies for promoting the sustainable development of the Group.

ESG GOVERNANCE STRUCTURE

The Group is committed to integrating ESG factors into its operations in order to create sustainable value for stakeholders and take up the responsibilities as a corporate citizen. To continuously enhance the Group's sustainability framework, we have established a three-tier ESG governance structure, consisting of the Board, the Management and the ESG Working Group (the "Working Group"). This structure is designed to clarify the roles and responsibilities of each level, enabling the systematic identification, assessment, management and overseeing of ESG (including climate-related) matters and their integration into strategic decision-making, business planning, risk management and day-to-day operations. This ensures that relevant objectives and strategies are duly formulated, implemented, monitored and reported in an effective manner.

The Group's ESG governance framework is summarised below:



Environmental, Social and Governance Report

Roles and Responsibilities within the ESG Framework

The Board

- Lead and supervise the Group's formulation of ESG strategies, policies, mission, objectives and targets, uphold core business values, and bear ultimate responsibility for the Group's ESG matters.
- Oversee climate-related risks and opportunities, ensure the effective delivery and compliance of climate-related initiatives, and embed climate-related considerations into decision-making through appropriate governance mechanisms.
- Review and approve key operational matters (including climate-related) strategies and policies, oversee ESG (including climate-related) performance and target achievement progress.
- Oversee the assessment of ESG risks, as well as the Group's risk management and internal control systems, ensuring robust mechanisms are in place.

The Management (Management Level)

- Review ESG (including climate-related) matters, comprising risks and opportunities, as well as formulating and reviewing relevant strategies and management approaches.
- Oversee ESG (including climate-related) issues comprehensively, and regularly review ESG (including climate-related) targets, target achievement progress and initiatives.
- Review and maintain the effectiveness of internal control systems, covering compliance and risk management.
- Lead and supervise the Working Group to advance the Group's sustainable development strategy.
- Report regularly (e.g. annually) to the Board and on an as needed basis.

Working Group (Operational Level)

- Comprising core members from different departments of the Group.
- Support the development of ESG and climate-related action plans, implement internal ESG policies, and monitor ESG (including climate-related) matters and target achievement progress.
- Deliberate on and provide feedback on department-specific ESG and climate-related risks and opportunities.
- Engage with external consultants, collect ESG-related information, report ESG initiative implementation and business unit performance regularly, and submit annual KPIs and target progress to the Management.
- Report regularly (e.g. annually) to the Management and on an as needed basis.

The Group has established formal mechanisms and procedures for the appointment of qualified individuals to the Board, supporting the effective recruitment and retention of competent talent. We plan to formulate a dedicated development plan to continuously strengthen the professional knowledge and capabilities of the Board and senior management in respect of climate-related matters.

Environmental, Social and Governance Report

The Board conducts an annual review of the Group's ESG (including climate-related) performance, and approves the annual ESG report. The Group seeks to maintain a balanced approach to corporate growth, community interests and environmental protection, and is committed to embedding sustainability across its strategic planning and operational activities.

STAKEHOLDER ENGAGEMENT

We believe that stakeholder engagement can help the Group to understand the needs and expectations of key stakeholders, thus facilitating the formulation and improvement of existing management systems and future sustainable development directions by the Group and promoting the sustainable development of the Group in the long run. We, as always, actively engage internal and external stakeholders, including the Board of Directors, employees, customers, suppliers and investors across various channels, such as seminars, staff training, direct communication with customers, shareholder activities and face-to-face meetings with investors. The Group remains committed to fostering stakeholder engagement through diverse communication channels.

Stakeholder	Engagement Platform
Government and regulatory agencies	<ul style="list-style-type: none"> Annual reports, interim reports, ESG reports and other public information
Shareholders and investors	<ul style="list-style-type: none"> Annual general meetings and other general meetings of shareholders Company website Press releases/announcements Annual reports, interim reports, ESG reports and other public information
Peer industry	<ul style="list-style-type: none"> Exhibitions
Employee	<ul style="list-style-type: none"> Trainings Meetings Employee organisations Performance evaluation Leisure activities Surveys
Customer	<ul style="list-style-type: none"> Fax, email and customer service hotline Product and service feedback Annual audit Meetings On-site visits

Materiality Assessment

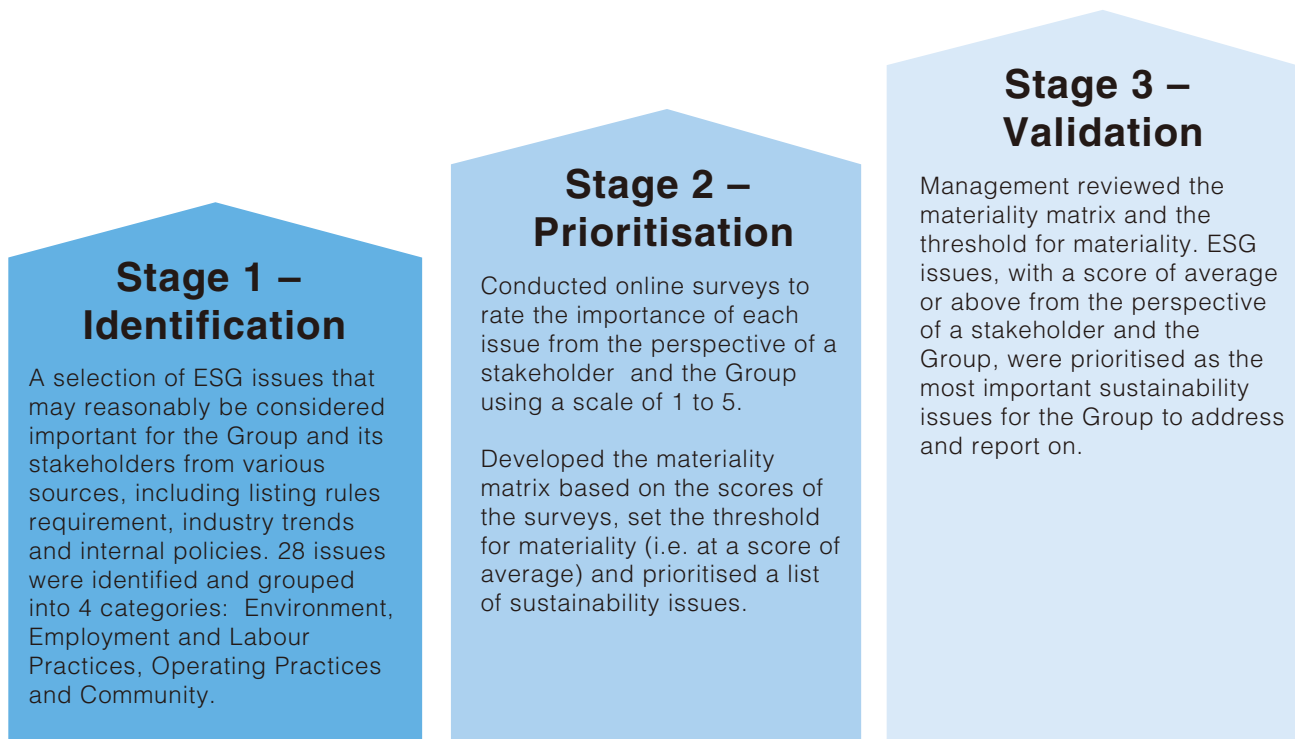
The Group identifies issues for disclosure in the Report through internal and external materiality assessment. In order to further identify the materiality of specific ESG issues related to the Group, we engaged an independent consultant to assist the Group to determine the relevant ESG issues affecting its business operations, which included 28 sustainability issues such as labour practices, environmental protection, supply chain management, product and service offering and community investment.

After considering the interdependence and influence of stakeholders on the Group, and the resources available, key stakeholders have been identified, and surveys were conducted to better understand their perspectives. Opinions and recommendations on the sustainability issues related to the Group's operation were collected via the surveys.

We invited both internal and external stakeholders to score each sustainability issue based on the materiality to the Group's business operations and the stakeholders themselves. Feedback was solicited on each topic to ensure comprehensive understanding. The survey results were obtained and adopted for materiality assessment, and a materiality matrix was prepared based on the scores gathered from the stakeholders as follows.

Materiality Assessment Process

In preparing the ESG Report, the Group directly engaged with internal and external stakeholders as part of the materiality assessment process to identify and prioritise the issues to be included in the ESG Report which the Board believes would have significant impact on the Group's business and on its stakeholders.



Environmental, Social and Governance Report

A materiality assessment matrix was developed from the results of stakeholder engagement exercises conducted with stakeholders through an online survey. The issues shown in the upper right corner of the materiality matrix represent the matters that are of most concern to our stakeholders. Based on the results shown in the materiality matrix, we determined the ESG issues that the stakeholders are most concerned about and are of the highest materiality to our business operations.

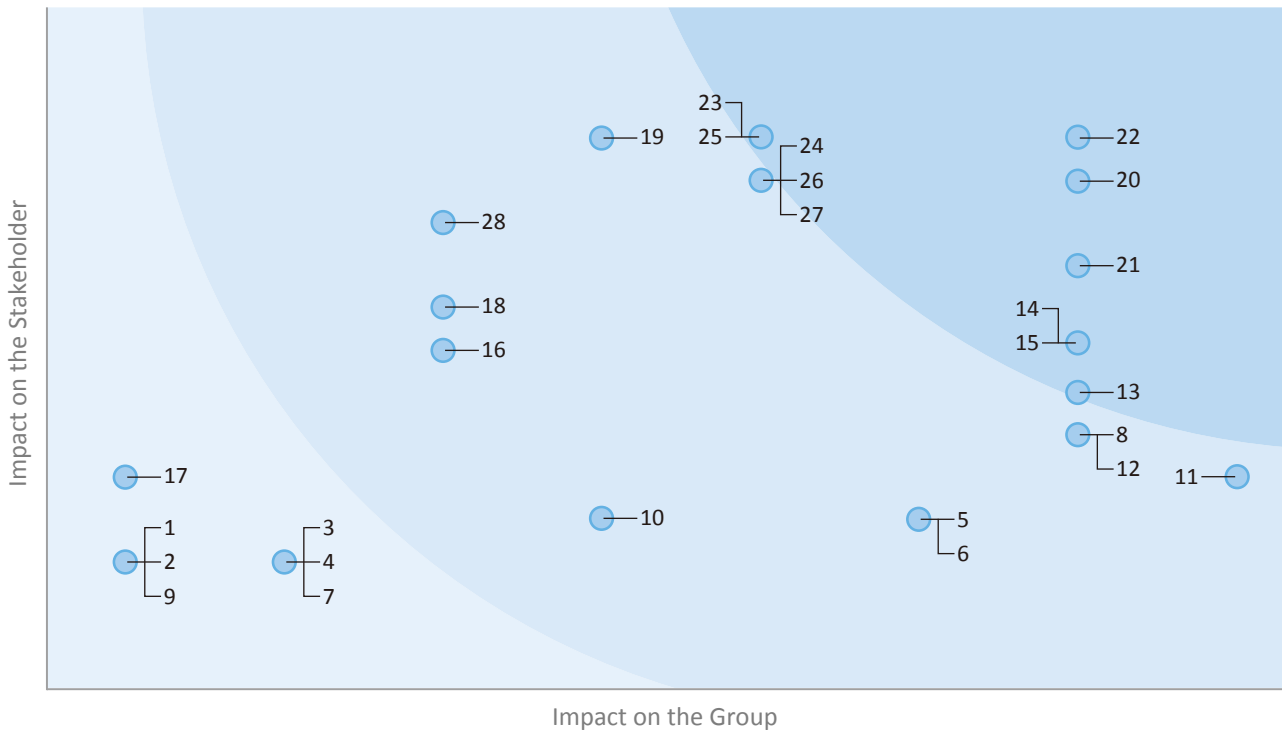
The ten issues that were identified with high importance are listed as follows:

- Staff occupational health and safety
- Staff development and training
- Customers' privacy and confidentiality
- Customer satisfaction
- Intellectual property
- Safety of projects and service
- Quality of projects and service
- Business ethics
- Anti-corruption training for management and employees
- Contributions to the society

The issues we have identified and deemed important can serve as compass for determining future strategic directions, implementing relevant policies and management practices, and allocating resources to address stakeholders' concerns, needs and expectations.

Consolidating the results of internal assessment and the survey, the Group has compiled the materiality matrix (refer to the diagram below).

Materiality Matrix



Environmental, Social and Governance Report

1. Air emissions	11. Employment practices	21. Customer satisfaction
2. Greenhouse gas emissions	12. Diversity equal opportunities	22. Intellectual property
3. Effluents management	13. Anti-discrimination	23. Safety of projects and service
4. Waste management	14. Staff occupational health and safety	24. Quality of projects and service
5. Energy efficiency	15. Staff development and training	25. Business ethics
6. Water efficiency	16. Child labour and forced labour	26. Anti-corruption training for management and employees
7. Use of materials	17. Responsible supply chain management	27. Contributions to the society
8. Environmental compliance	18. Environmental friendliness on products or service purchased	28. Communication and connection with local community
9. Land use, pollution and restoration	19. Compliance with regulations on marketing, product and service labelling	
10. Climate change	20. Customers' privacy and confidentiality	

SOCIAL ASPECTS

Responsible Business Operations

Protection of Customer Privacy and Corporate Information

With the increasing requirement of business integrity on enterprises in the society and growing awareness of data security of individuals, the Group is committed to safeguarding customer privacy, maintaining the confidentiality of corporate data, fulfilling confidentiality obligations and abiding by all laws and regulations regarding customer data privacy protection.

Without the authorisation from the Group, employees are strictly prohibited from disclosing or leaking any materials and trade secrets (e.g., sales strategy at the sales office, sales data, financial information, technical information and intellectual property rights) relating to corporate transactions or operations or any information relating to the developers, customers and suppliers to any third parties. All confidential materials and trade secrets must be kept and properly preserved by authorised personnel. All employees shall enter into the Employee Confidentiality Agreement (企業員工保密協議) upon the commencement of employment. This approach ensures employees are fully aware of the importance of protecting customer privacy and preserving the corporate trade secrets, as well as maintaining confidentiality of sensitive materials. Along with the Agreement, employees can exercise due care to protect such information and avoid any instances of information leakage. The Group sets out the confidentiality terms in the Employee Handbook (員工手冊), specifying the applicable

Environmental, Social and Governance Report

confidentiality principles and the required behaviours and conducts. Any employees who breach relevant confidentiality agreement and working disciplines shall be dismissed and held legally liable. In addition to supply chain, we require our suppliers to fulfil their confidentiality obligations under relevant laws and regulations and may terminate the partnership in case of any breach.

During the Reporting Period, the Group confirmed that it was not aware of any case of customer privacy violation under any laws and regulations and there were no significant cases of violations of laws or regulations regarding customer privacy and use of consumer data.

Anti-corruption

Business integrity, rigour and professionalism represent not only our unwavering service concepts but also the key factors underpinning our corporate reputation, competitive edge, business success and sustainable growth. We uphold zero tolerance for any forms of corruption, bribery, extortion, fraud or money laundering, and abide by the local and national anti-corruption laws and regulations, including the Criminal Law of the People's Republic of China (《中華人民共和國刑法》) and the Prevention of Bribery Ordinance (《防止賄賂條例》) of Hong Kong.

Following the Employee Handbook, the Group has formulated and set forth the terms and working disciplines regarding anti-corruption, anti-bribery and anti-fraud, which shall be strictly followed by all employees. We sternly prohibit employees from demanding or accepting, directly or indirectly, any benefits, such as gifts, money or other forms of entertainment, or receiving kickbacks and gifts and obtaining related economic and financial benefits in secret by abusing his/her position power.

To ensure employees understand the relevant requirements, each employee and Director is required to receive anti-corruption training. The Group mandates each employee enters into an Employee Anti-corruption Warranty (企業員工廉潔保證書). Anti-corruption training is designed for employees and Directors, including newcomers to familiarise them with the Group's commitment to maintaining business integrity. Employee shall follow the relevant requirements and guidelines while performing their duties, minimising the possibility of any corruption.

Employees who breach the terms and requirements of anti-corruption, anti-bribery and anti-fraud shall be subject to disciplinary actions, including the termination of employment, such cases may be reported to relevant authorities if necessary. Similarly, we forbid the suppliers hired by us to bribe our employees in any way and may terminate the partnership in case of any breach.

During the Reporting Period, the Group confirmed that it did not have any violations against any laws and regulations regarding bribery, extortion, fraud and money laundering.

Whistle-blowing Policy

The Group values the voice of every employee by encouraging them to express their opinions. Specified complaint and advice channels have been formulated following the Whistle-Blowing procedures. We provide a safe and confidential reporting mechanism to ensure employees report properly on all suspected internal misconduct.

Environmental, Social and Governance Report

Service Responsibility

As one of the Top 10 property consulting and agency planning enterprises in the PRC, the Group strictly complies with laws and regulations on sales and advertisement, including but not limited to:

- Regulatory Measures on the Sale of Commercial Houses (《商品房銷售管理辦法》);
- Provisions on the Administration of Urban Real Estate Intermediary Services (《城市房地產中介服務管理規定》);
- Regulatory Measures on Advance Sale of Urban Commercial Houses (《城市商品房預售管理辦法》);
- Interim Rules on Advertisement for Real Estate (《房地產廣告發佈暫行規定》); and
- Notices on Further Strengthening Management of Real Estate Advertisements (《關於進一步加強房地產廣告管理的通知》).

Our customers mainly consist of property buyers, sellers and owners, potential real estate investors. We attach great importance to the quality of customer service provided by us and intend to deliver a comprehensive and premium user experience to customers. For this purpose, we require employees to acquire detailed and in-depth knowledge of relevant real estate projects, such as their planning and design, architectural style as well as latest policies, regulations, mortgages and taxes applicable thereto, ensuring that they can furnish the latest and accurate materials and market information of the real estate projects to customers. If customers have any opinions or complaints about our services and product sales, they may send such opinions to our dedicated email address. Specific staff will be assigned to follow up the case within three to five days after receiving relevant email. Meanwhile, we will analyse the root cause of each complaint case to prevent any recurrence of similar incidents.

Marketing and Advertising

The Group directly uses the sales promotion materials provided from real estate developers, including advertisements, sales brochures and promotional slogans while introducing relevant real estate projects to customers. We engage suppliers for sales promotion material production when there is co-production request from the real estate developer. The materials will be submitted to the real estate developer for approval and execution upon completion, and such materials may be put in use only after they are confirmed to be accurate, correct and not against relevant laws and regulations on advertising and intellectual property rights.

During the Reporting Period, the Group received zero product or service-related complaints, and confirmed that there was no aware of any violations against any laws and regulations with respect to the health, safety, advertisements and labelling of the products and services provided by us. Considering the business nature, the Group mainly engages in property consultancy and sales agency services, customers' health and safety are not relevant to the Group's business, and no product recall was found during the Reporting Period.

Environmental, Social and Governance Report

Intellectual Property Protection

We have established an “Intellectual Property Management System” to ensure that the interests of the Group and its customers are protected. Intellectual property is the paramount importance to our research and development. The Group strictly abides by relevant laws and regulations, including the Patent Law, the Copyright Law, the Trademark Law and the Anti-Unfair Competition Law.

Caring for Employees

Employment and Labour Practice

The Group recognizes its employees as the driving force behind its sustained business growth, with their expertise and experience forming an integral part of the Group’s continuous innovation, brand promotion and successful practices in efficient marketing management. Therefore, we are committed to increasing employee satisfaction, enhancing staff training and promoting employee well-being, striving to create a pleasant, harmonious and safe working environment for our employees to retain talents.

As a responsible enterprise, we strictly comply with relevant labour laws and regulations in the places of operation, including but not limited to:

- Labour Law of the People’s Republic of China (《中華人民共和國勞動法》);
- Labour Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》); and
- Employment Ordinance of Hong Kong (Cap. 57) (《僱傭條例》).

During the Reporting Period, the Group confirmed that there were no violations against any laws and regulations on labour and employment.

Environmental, Social and Governance Report

As at the end of the Reporting Period, the number of employees figures and employee turnover rate by gender, age group, employment type, employment category and geographical region are illustrated in the table below.

		2025
Employee Number	Total	30
	By Gender	
	Male	15
	Female	15
	Ratio of Male and Female Employee	1.00
	By Age Group	
	Below 30	3
	30–50	22
	50 or above	5
	By Employment Type	
	Full-time	30
	Part-time	0
	By Employment Category	
	Senior Management	6
	Middle Management	11
	General Staff	13
	By Geographical Regions	
	Mainland China	29
	Hong Kong	1
Employees Turnover Rate¹	Overall Number (Turnover rate)	11 (27%)
	By Gender	
	Male (Turnover rate)	7 (32%)
	Female (Turnover rate)	4 (21%)
	By Age Group	
	Below 30 (Turnover rate)	1 (25%)
	30–50 (Turnover rate)	8 (27%)
	50 or above (Turnover rate)	2 (29%)
	By Employment Type	
	Full time (Turnover rate)	9 (23%)
	Part-time (Turnover rate)	2 (100%)
	By Employment Category	
	Senior Management (Turnover rate)	2 (25%)
	Middle Management (Turnover rate)	3 (21%)
	General Staff (Turnover rate)	6 (32%)
	By Geographical Regions	
	Mainland China (Turnover rate)	11 (28%)
	Hong Kong (Turnover rate)	0 (0%)

¹ Employee turnover rate = Total number of employees in the specified category leaving employment during the Reporting Period / (Total number of employees left the Group in specific category during the Reporting Period + Total number of employees in specific category at the end of Reporting Period).

Environmental, Social and Governance Report

Recruitment and Promotion

The Group has abided by the relevant laws and regulations that apply to its sites of operations, including but not limited to the Employment Ordinance (Cap. 57) and Labour Contract Law of the PRC (中華人民共和國勞動合同法). In comply with laws and regulations, the Group commits in providing equal opportunities for all employees regardless of gender, race, age, disability, marital status or other grounds, in order to build a fair and diversified workplace featuring mutual respect.

In terms of recruitment, hiring and employment, we follow the Group's Personnel Management Rules and Regulations (人事管理規章), Remuneration System (薪資制度) and Employee Handbook, which outline the general requirements related to employment. For recruitment and promotion, the Group makes assessments based on candidates' and employees' competency, experience, qualifications and skills. Appraisal on employees' performance is held periodically, which is purposed to review employees' performance and achievement, as well as their weakness. The appraisal results will be considered in regarding staff promotion. As such, we will take internal staff promotion as a priority consideration, as an endeavour to maintain a structured career ladder and retain talents.

The Group has formulated the Employee Handbook and prohibits the use of child labour and forced labour. To prevent any instances of forced labour, the Group undertakes timely communication with employees regarding the work arrangements. If there are any irregular and overtime work duties, we will make forward planning and discussion with the relevant employees beforehand. To avoid any instances of child labour, identity check and age verification are requisite during the recruitment process. Despite that the Group has already established a set of procedures to mitigate the risks of employing child labour or forced labour, we are committed to establishing contingency measures to counter any cases of child labour or forced labour if such cases arise. If any instances of child and forced labour are discovered, the management will promptly report to the relevant enforcement agencies. Internal investigations will be conducted to identify the potential cause of the incidents during in the recruitment process and appropriate amendments will be implemented accordingly.

During the Reporting Period, there were no significant non-compliance cases in relation to child labour and forced labour. The Group will continuously review the implementation of its Employee Handbook under regular basis and ensure effective execution of its practices regarding the prohibition of child labour and forced labour.

Working Hours and Rest Period

The Group implements standard working hours and working beyond designated working hours is not encouraged. Corresponding time-off are entitled to employees who have to work overtime on special circumstances. Paid annual leave, and statutory holidays are implemented in accordance with national regulations, including marriage leave, bereavement leave, maternity leave, paternity leave, lactation leave, work-related injury leave, etc.

Environmental, Social and Governance Report

Remuneration and Dismissal

The Group strives to attract and retain qualified, enthusiastic and committed employees by offering fair and reasonable remuneration package and benefits. The Group respects the right of employees, provides fair remuneration that is linked to the employee performance and offers competitive remuneration package to recruit talented employees.

Under our dismissal procedures, employees have the right to decide whether to continue their employment with the Group. All labour contracts, agreements and declarations are signed by employees with the Group voluntarily on equal footing, and employees have obligations to observe the relevant provisions. For resignation, a written notice with leaving period and payment for immediate leave are applied on terminating employment contact. Nevertheless, employees shall be dismissed if there is seriously violation regarding relevant working disciplines and confidentiality provisions that set out in the Employee Handbook.

Employee Benefits and Welfare

The Group offers various employees benefit scheme, including pension insurance, unemployment insurance, medical insurance, work-related injury insurance, maternity insurance and housing provident fund, and mandatory provident fund scheme for employees in a timely manner according to relevant local labour laws. Pension, wedding cash gift and other allowances such as business travel, house, meal and communication are also provided. Travelling allowance is offered to foreign employees for home visit vacation.

The Group has formed an employee welfare committee to serve employees and their families by organising a wide array of employee activities and regular social gatherings, striving to enhance the cohesion and sense of belonging among our employees. To reward employees for their diligence, attendance bonus, quarterly bonus, and year-end bonus will be granted to the outstanding employees based on their respective work performance, enhancing the motivation of our employees.

To cultivate and strengthen employees' sense of belonging, the Group holds a range of staff gatherings each year, providing platform for employees to gather and interact. Through various games and activities, we seize the opportunity to inspire employees and express our gratitude for their contribution to the Group throughout the year.

During the Reporting Period, there were no significant incidents of non-compliance with applicable laws and regulations relating to compensation, dismissal, recruitment, promotion, working hours, rest, equal opportunity and benefits and welfare.

Environmental, Social and Governance Report

Staff Development and Training

The Group understands the employees' performance and individual achievement constitute as one of the key enablers for our success. With the commitment in promoting the career development of employees, we hold tailored training sessions for employees in different departments through our training system, enhancing their knowledge, skills and values, ultimately boosting employees' overall capabilities and job satisfaction. This approach aids in their pursuit of self-fulfilment, contributing to the achievement of our overall strategic objectives. All new employees are required to attend induction training during the probation period to familiarise themselves with our culture, business goals, values and constitutional rules so that they can adapt to our working environment and fit in the existing working teams more swiftly. The contents of the training cover the Group's organisational structure, corporate culture and general introductions, including basic job-related processes, job-specific skills, labour standards and anti-corruption measures, etc.

In addition, based on the training requirements of each department and the employment level of each employee, we provide all sorts of internal training, including executive training and professional training related to specific real estate project (e.g. basic real estate know-how, updates of latest real estate policies, skills in market case research and reporting, sales methods and operations, knacks of customer source expansion, customer services and manners, etc.), to improve the management skills, knowledge and expertise of employees. To encourage our employees to undertake life-long learning, we offer opportunities for external training and tuition fee subsidies to eligible employees.

After each training session, employees are tested and assessed to ensure that they have fully mastered the training content, and such assessment may also be used to improve the training programme in the future. The Group has established a point-based training management system to motivate full staff participation in the training, whereby employees can earn points after completion of the training according to the course content and assessment results. The annual accumulated points would then be used as a reference for promotion purpose.

Environmental, Social and Governance Report

During the Reporting Period, the number of trained employees and average training hours broken down by gender and employment category are presented as follows:

		2025
Number of Trained Employee and Percentage²	Overall (Trained employee rate)	16 (53%)
	By Gender	
	Male (Trained employee rate)	8 (53%)
	Female (Trained employee rate)	8 (53%)
	By Employment Category	
	Senior Management (Trained employee rate)	0 (0%)
	Middle Management (Trained employee rate)	9 (82%)
	General Staff (Trained employee rate)	7 (54%)
Average Training Hours³ (hour/employee)	Overall	0.53
	By Gender	
	Male	0.53
	Female	0.53
	By Employment Category	
	Senior Management	0.00
	Middle Management	0.82
	General Staff	0.54

During the Reporting Period, the Group provided relevant training programmes for newly joined employees to support their induction and continuously strengthen the overall competence of its workforce. Looking ahead, the Group will constantly review its employment practices to maintain a harmonious labour relationship and competitiveness within the industry.

Occupational Health and Safety

As the daily operation of the Group is predominantly office-based, the occupational hazards and accidents involved are considerably and relatively limited as compared to other industries. Nevertheless, we do not neglect the health and safety of employees. We are devoted to creating a comfortable and safe working environment for our employees. With the "Health and Safety Policy", we identify and manage potential health and safety hazards and risks at relevant workplaces. The Group has complied with regulations on occupational health and safety in the places of operation, including but not limited to the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) and the Occupational Safety and Health Ordinance (《職業安全及健康條例》) in Hong Kong.

² Percentage of trained employee = Number of employees in the specified category received training during the Reporting Period / Total number of employees in the specified category at the end of the Reporting Period.

³ Average Training Hours = Total training hours received by employees in the specified category during the Reporting Period / Total number of employees in the specified category at the end of the Reporting Period.

Environmental, Social and Governance Report

To provide sustainable and safe workplace that protect our employees from accidents and injuries, the administrative department undertakes measures, including daily checks and cleaning. To maintain the accessibility of office corridors and fire escape, office equipment such as printers, photocopiers and fax machines are placed in separate printing rooms; clutter and office material are stored properly. In addition, smoking and spitting are strictly forbidden at workplace, with a firm insistence on maintaining a pristine and secure office environment.

To raise the safety awareness of employees, we participate in fire drills organised by property management companies regularly and conduct fire safety training at our sales offices for employees. Fire safety training includes essential knowledge of everyday fire safety precautions and provides instructions on proper usage of fire extinguisher, aiming to enhance employees' awareness on fire safety and educate them on responding effectively to fire hazards. In the event of encountering safety hazard during work, employees shall halt the work immediately and notify administrative personnel promptly.

During the Reporting Period, there were no work-related fatalities in the Group over the past three years:

	2025	2024	2023
Number of work-related fatalities	0	0	0
Rate of work-related fatalities	0%	0%	0%
Number of work injuries	0	0	0
Lost days due to work injury	0	0	0

During the Reporting Period, the Group confirmed that there were no violations against any laws and regulations on occupational health and safety. Looking ahead, the Group will continuously enhance its health and safety measures and enforce workers' safety awareness in workplace.

Operating Practices

Management of Suppliers

During the Reporting Period, the Group did not co-operate with any suppliers. Nevertheless, we continue to value the importance of supply chain management and will persist in exploring the opportunities for future cooperation. We are committed to considering social and environmental responsibility in our supplier selection process to uphold high sustainability standards.

We have stipulated the procedure and criteria for supplier selection and evaluation in our Administrative Rules and Regulations (行政管理規章), whereby we select suitable suppliers of quality products and services and regularly monitor their compliance with our standards. During supplier selection, apart from investigating into the basic business background and business qualifications of potential suppliers, we also consider several other factors, including price, geographical location, quality standards, know-how and services, etc. The Group continuously evaluates the environmental and social performance of suppliers. If necessary, we would ask the suppliers to provide samples for evaluation. A supplier will be recognised as a qualified supplier of the Group only when it meets the above criteria according to the review of the administrative department, and all of our

Environmental, Social and Governance Report

current suppliers were selected from the pool of qualified suppliers. We have also introduced a complete procurement bidding process to ensure fair and equitable bidding and maintained a fair competition environment for suppliers by comparing three or more quotations. To further guarantee the quality of the products and services from suppliers, we will evaluate the performance of incumbent suppliers upon their delivery of products and services. Rating will be assigned to a supplier according to four criteria, namely, quality of its products or services, timeliness of delivery, the attitude of service and professionalism. The underperforming supplier shall be suspended from bidding, and its status as a qualified supplier would be resumed only if it passes the re-evaluation.

The Group urges all of its suppliers to observe the Code of Ethics and Code of Conduct for Suppliers (供應商道德規範和商業行為準則). The Code covers five major areas namely, (i) working conditions, (ii) environmental responsibility, (iii) quality standards for delivery, and (iv) anti-corruption and anti-bribery as well as (v) intellectual property rights and duty of confidentiality. It requires suppliers to abide by relevant laws and regulations and expects them to recognise and fulfil their ethical responsibilities so as to attain mutual trust and respect between the Group and the suppliers.

Considering the nature of the Group, as a property management provider, the environmental and social risks in the supply chain, and preferences for green products and services are less material. Therefore, the Group has not adopted specific practices for identifying such risks, and promoting the use of green products and services. Looking ahead, the Group will continue in reviewing and revising its practice in supplier management.

Community Engagement

The Group believes that community contribution is essential for sustainable development as it plays an important role in fostering a harmonious society. Aligned with the Group's principle of "dedication, friendship, mutual assistance and progress" (「奉獻、友愛、互助、進步」), the Group acknowledges that employees embrace these shared values while bring forth a range of distinctive contributions. We offer range of options and flexibilities for community service, encouraging employees to practice and integrate these principles in their daily life and work.

Nevertheless, we believe our services scope shall be expanded to better cater the needs of our customers, demonstrate care for our neighbours and the society, and ultimately create a positive influence on the community. During the Reporting Period, the Group continuously strives in contributing and strengthening employee welfare and benefits through sincere support. We encourage employees to organize social events and seize social opportunities by participating in volunteer services and community activities. By doing so, the Group is dedicated to making a purposeful and impactful contribution to the community.

Looking ahead, the Group will persistently contribute to community investment.

ENVIRONMENTAL ASPECTS

Environmental Protection

The principal activities of the Group are the provision of one-stop property consultancy and sales agency services. Since we are less involved in business operations and activities with direct relations to the environment, the impact of our business operations on the environment and natural resources is less material. Nevertheless, the Group has established relevant environmental policies, complying with applicable environmental laws and regulations in the places of operations. These policies serve as a guidance for our business operation. Moreover, we persistently pursue business operations featuring efficient use of resources, minimisation of energy use and waste generation through diverse initiatives under our existing business scope.

In providing property consultancy services, the Group also considers the potential environmental risks and impacts of the property development project, including its compliance with local environmental laws and regulations, including but not limited to the Environmental Protection Law of the People's Republic of China (《中華人民共和國環境保護法》) and the Energy Conservation Law of the People's Republic of China (《中華人民共和國節約能源法》). The Group also has taken environmental protection measures, enabling customers gain understanding of projects regarding environmental protection elements.

To this end, we have set clear emission reduction targets, aiming to reduce all our emissions (including air pollutants, hazardous and non-hazardous wastes, and sewage), energy consumption (including electricity and heat), consumption of resources (including water and paper) by 3%, by 2026 as compared to corresponding emissions and consumptions of 2021.

During the Reporting Period, the Group confirmed that there were no violations against any environmental laws and regulations.

Emissions

Policy of the Group, Laws and Regulations Related to Emissions

Since the operations of the Group's property consultancy and sales agency business are predominantly office-based, they do not involve any substantial emissions of exhaust gas, wastewater or hazardous or non-hazardous waste during operations.

Types of Air Emission and Emission Data

During the Reporting Period, petrol combustion of vehicle fleet in Mainland China was the main source of the Group's air emissions. The amount of air emissions has decreased as compared with 2024 due to the reduction in usage rate of vehicles during the Reporting Period.

Environmental, Social and Governance Report

During the Reporting Period, the air emissions data is presented as follows:

Air Emissions ⁴	Unit	2025	2024
Nitrogen Oxide (NO _x)	kg	0.33	0.38
Sulphur Dioxide (SO _x)	kg	0.05	0.06
Particulate Matter (PM)	kg	0.03	0.04

Waste Management

Due to the business nature, the Group did not generate any significant quantity of hazardous waste. Data on the quantity of hazardous waste and its intensity are not applicable to the Group. For non-hazardous waste, general waste mainly includes papers and domestic waste generated by the Group. All non-hazardous wastes are collected and incinerated by qualified waste disposal contractors in accordance with the Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (《固體廢物污染環境防治法》). Given that waste management was outsourced to the property management provider, information including quantity and intensity of non-hazardous waste is currently unavailable.

During the Reporting Period, the waste data of the Group is presented as follows:

Types of Waste	Unit	2025	2024
Hazardous Waste	tonnes	N/A	N/A
Hazardous Waste Intensity	tonnes/employee ⁵		
Non-Hazardous Waste	tonnes	Currently	Currently
Non-Hazardous Waste Intensity	tonnes/employee ⁶	unavailable	unavailable

Use of Resources

Resources Policies

In order to use resources effectively, the Group has established various measures focusing on the use of water, resources and office paper during operation, with a view to reducing the carbon footprint from its operation while minimising unnecessary operating cost. We have formulated the Green Office Management Procedure (辦公室綠色環保制度) with an aim to create a comfortable working environment while putting into practice the philosophy of energy conservation and environmental protection in daily operation, raising the staffs' awareness on environmental protection.

⁴ The emissions amount was estimated with reference to "Technical Guidelines for Air Pollutants Emission Inventory of Road Vehicles (Trial)" 《道路機動車大氣污染物排放清單編製技術指南(試行)》.

⁵ At the end of the Reporting Period and the year-end of 2024, the Group's total number of employees was 30 and 25 respectively.

⁶ At the end of the Reporting Period and the year-end of 2024, the Group's total number of employees was 30 and 25 respectively.

Environmental, Social and Governance Report

Electricity Saving

- Air conditioners should not be used under moderate temperature conditions. Air conditioners are allowed to be turned on when the indoor temperature reaches $\geq 26^{\circ}\text{C}$ in summer and $\leq 20^{\circ}\text{C}$ in winter;
- Using LED and other energy-saving devices;
- Utilising natural light where applicable and turning off the lighting system for unused area;
- Switching lighting in the hallways and corridors to night mode after working hours; and
- Reminding employees to turn off their electronic equipment, including personal computer and display screen when off duty.

Water-saving

- Using water-saving devices;
- Implementing appropriate measures to control water flow; and
- Performing timely checks and repairs on water dripping, seepage and leakage.

Resources-saving

- Disseminating announcements and notices through the intranet instead of distributing paper copies;
- Reminding employees to print and copy working documents only when necessary;
- Reminding employees to print and copy documents on both sides of the paper;
- Reminding employees to reuse paper with one-sided contents for printing and copying; and
- Encouraging and reminding employee on paper recycling.

According to the Management Procedure for the Use of Vehicles, employees who intend to use corporate vehicles for work must submit an application in advance. The administrative department will then arrange vehicles and plan the routes based on the number of passengers and distance to avoid unnecessary transportation as much as practicable. In addition, we try not to use corporate vehicles for picking up employees for business trips. Where vehicles are needed for such purpose, employees are required to gather at one place before departure to reduce the fuel consumption. To minimize our energy consumption, we perform vehicle maintenance regularly to ensure safety and optimize fuel consumption.

Environmental, Social and Governance Report

Energy Consumption

The Group's energy consumption was from the usage of vehicles (direct energy consumption) and the electricity consumption (indirect energy consumption). During the Reporting Period, the energy consumption data of the Group is presented as follows:

Energy Consumption	Unit	2025	2024
Direct Energy Consumption	kWh in '000s	30.73	35.85
Vehicle Fuel (Petrol)	L	3,467.00	4,045.00
Indirect Energy Consumption	kWh in '000s	23.31	29.30
Purchased Electricity	kWh in '000s	23.31	29.30
Total Energy Consumption	kWh in '000s	54.04	65.14
Energy Consumption Intensity	kWh in '000s/employee ⁷	1.80	2.61

During the Reporting Period, the purchased electricity was approximately 23.31 (kWh in '000s), which presented a substantially decrease of approximately 20% compared with 2024. Meanwhile, the Group's total energy consumption also reduced by around 17% compared to last year, which further demonstrates the effectiveness of the Group's energy-saving policies and measures.

Looking ahead, the Group will closely monitor the consumption of resources and continue to implement and improve the corresponding energy-saving practices.

Paper Consumption

The paper consumption was mainly for offices and administrative use from offices. During the Reporting Period, the paper consumption is presented as follows:

	Unit	2025	2024
Paper Consumption	kg	25.10	135.34

During the Reporting Period, the paper consumption was 25.10 kg, representing a decrease of 81% compared with 2024. This substantial reduction was mainly driven by the Group's active promotion of digital documentation to minimise paper usage.

⁷ At the end of the Reporting Period and the year-end of 2024, the Group's total number of employees was 30 and 25 respectively.

Environmental, Social and Governance Report

The Group has implemented policies in managing paper usage, including:

- Implementing 3R policy (i.e. reduce, reuse and recycle);
- Implementing Office Automation (OA) System;
- Setting up default duplex-printing system; and
- Encouraging employee's communication via electronic means.

Looking ahead, the Group will continue to advance paperless operations and strengthen digital management to further enhance resource efficiency.

Water Consumption

As water resources were provided by local water supplier, the Group did not encounter any difficulties in water sourcing. The Group's business does not require significant use of water. Water consumption in the business units is mainly for domestic use. The water charges incurred by the operating units of the Group were included in office rents which is controlled by the property management, therefore no record is available for the actual water consumption.

Packaging Material Management

The Group is a service provider in the real estate industry. No additional packaging material is required for the goods from the suppliers in our operation, thus there was no significant consumption of packaging material during the Reporting Period.

The Environment and Natural Resources

The Group's operations did not have significant direct impact on the environment and natural resources. However, certain activities such as use of vehicles and purchased electricity generate greenhouse gas ("GHG") emissions that contribute to global warming. While these impacts may not be considered as material due to its relatively low consumption compared to other companies of different business nature in the market, for instance manufacturing, the Group remains committed to reducing its environmental footprint. To address these emissions and the impacts on the environment and natural resources, the Group has established the Green Office Management Procedure (辦公室綠色環保制度). Various measures regarding conservation of environmental and natural resources can be found in the "Emissions" and "Use of Resources" sections.

CLIMATE CHANGE

Climate change is one of the biggest global challenges faced by the society nowadays. Immediate action is imperative to safeguard our environment and communities for a sustainable future.

In recent years, the frequency of extreme weather events, such as strong winds, heavy rainfall, tides and floods has escalated. Logistics and supply chains are particularly vulnerable to these challenges. Heavy rainfall, rising tides and floods can cause serious damage to assets such as buildings and goods in storage, resulting in financial losses. Although such incidents are beyond everyone's control, the Group believes that all stakeholders should work together to address climate change, which is recognized as one of the most significant risks to the world in the next decades.

Nevertheless, the Group remains steadfast in our commitment to climate action. Looking ahead, the Group will continuously strive to enhance its disclosure to provide transparent and credible climate-related information to stakeholders, including investors and capital providers. The Group's business units have also strengthened its analysis on assessing the climate-related risks and opportunities specific to their markets.

Climate-related Risks and Opportunities

The Group has applied the following time horizons when assessing climate-related risks and opportunities:

Time Horizon	Year
Short-term	Current–2027
Medium-term	2028–2032
Long-term	2033–2050

Environmental, Social and Governance Report

The Group has identified a series of climate-related risks and opportunities that are material to our assets, operations and services over immediate/near-term, short-term, medium-term and long-term.

Risk Types	Risk Drivers	Risk Descriptions and Potential Impacts	Time Horizon
Physical Risk			
Acute Risk	Tropical cyclones, storms, extreme flooding and extreme high temperatures/heatwaves	<ul style="list-style-type: none"> Extreme weather events can cause direct damage to the real estate projects it advises or to properties under its sales agency portfolio. Such damage often leads to project postponements or even termination, as well as on-site advisory activities being halted. 	Short-term, medium-term
Chronic Risk	Changes in precipitation patterns and climatic patterns, as well as rising average temperatures	<p>This could ultimately impact the Group's ability to recognise revenue from consultancy and agency services, leading to a decrease in income.</p> <ul style="list-style-type: none"> Increased temperature and precipitation, typhoons and flooding may directly impact the company vehicles' operational efficiency and availability, increasing operational costs and maintenance costs. Extreme heat and severe weather adversely affect employee health and safety, leading to increased absenteeism and reduced productivity. Decline in workforce efficiency may directly impact the Company's business services, compromise the quality of advisory outputs, and exert pressure on operational margins. As the Group's primary operations are property consultancy and agency services, physical risks are more likely to cause project delays and disrupt on-site meetings, and hinder project deliveries and business operations. Such disruptions may lead to postponed completions and potentially reduced income. For property management services, physical risks may increase operational costs. Should these costs not be fully passed on to property owners, they could potentially squeeze profit margins and affect the overall profitability of the property management segment. 	Medium-term, long-term

Environmental, Social and Governance Report

Risk Types	Risk Drivers	Risk Descriptions and Potential Impacts	Time Horizon
Transition Risk			
Policy and Legal Risk	Increased carbon pricing and enhanced requirements for reporting	<ul style="list-style-type: none"> Higher carbon pricing may increase the Group's tax and financing costs, putting pressure on its overall financial performance. Enhanced reporting requirements, such as climate-related disclosures, may require the Group to allocate additional manpower and financial resources to ensure compliance, which could increase operational costs. Stricter emissions reporting requirements and the low-carbon transition may raise expenditure on equipment upgrades, including potential replacement of company petrol vehicles with electric vehicles. 	Short-term, medium-term, long-term
Market Risk	Changing customer behaviour and uncertain market signals	<ul style="list-style-type: none"> Changing customer behaviour and uncertain market signals may lead to shifts in clients' demand and preferences, and reduced demand for new projects, thereby affecting the Group's revenue mix and income sources. 	Medium-term, long-term
Reputation Risk	Shifts in consumer preference	<ul style="list-style-type: none"> If the Group is perceived as lacking the capability to advise on climate-related matters, clients may choose competing parties with stronger sustainability credentials. This reputational disadvantage can lead to a reduction in invitations to tender for new projects, gradual erosion of the Group's market position, and ultimately a decline in income. Reputational risks may adversely affect the Group's workforce management and planning, including staff recruitment and retention, weakening its overall operational capability. 	Medium-term, long-term

Environmental, Social and Governance Report

Opportunity Types	Opportunity Descriptions	Potential Impacts	Time Horizon
Resource Efficiency	Use of recycling	<ul style="list-style-type: none"> By enhancing resource efficiency and adopting recycling practices, the Group can achieve efficiency gains in its office operations, thereby reducing overall operational costs and emissions. 	Short-term, medium-term, long-term
Energy Source	Use of lower-emission energy sources	<ul style="list-style-type: none"> The adoption of lower-emission or renewable energy sources enables the Group to achieve abatement in the most cost-effective manner, optimising energy expenses associated with its office operations. 	Medium-term, long-term
	Green fleet transition planning	<ul style="list-style-type: none"> Developing a phased plan to replace company petrol vehicles to electric vehicles can reduce GHG emissions, and long-term fuel and maintenance costs, potentially enhancing reputation among environmentally conscious clients. 	Short-term, medium-term, long-term
Reputation	Build trust through climate transparency	<ul style="list-style-type: none"> By proactively communicating its climate risk assessment methodologies and adaptation efforts to existing and potential clients, the Group can build trust and enhance its reputation. 	Short-term, medium-term, long-term
Markets	Access to new markets	<ul style="list-style-type: none"> Access to new and emerging markets through collaboration with governments and development banks enables the Group to expand its operations, thereby diversifying revenue streams. Diversification of financial assets through instruments helps optimise the Group's overall financial structure and enhance its resilience to risks. 	Medium-term, long-term

Our Responses and Approaches

The Group has established various measures to strengthen the operational resilience against climate-related physical risks, which may cause asset damage, higher maintenance costs and service disruptions. The Group is also considering undergoing climate risk assessment into its project planning and operational practices, aiming to minimise impacts on the Group's business. In parallel, the Group actively monitors climate-related transition risks arising from policy changes, technological progress and market dynamics that may raise operational costs and legal or reputational exposures. To manage these risks, the Group continuously tracks regulatory developments (such as evolving reporting requirements), policy developments and market trends (including changing client preferences for sustainable properties). Through an integrated approach, the Group seeks to balance immediate operational resilience with the strategic agility needed to navigate the low-carbon transition.

To effectively manage climate-related risks and seize opportunities, the Group is considering conducting comprehensive climate risk assessment. Following the assessment, the most appropriate risk management approach for climate-related matters will be determined and regularly reviewed. Meanwhile, the Group fully considers the unique characteristics of climate-related risks. It is noted that the impacts of such risks vary by geographical location and type of business activity, as well as their nature of uncertainty, complex interdependencies, and potential systemic effects. To address the climate-related risks effectively, the Group integrates risk management deeply into its actual business operations to achieve comprehensive and precise control over climate-related risks, providing solid support for the steady development of the Group's businesses.

Additionally, the Management meets with the Working Group annually to systematically assess, monitor and review climate-related risks and opportunities, and integrates them into the Group's overall enterprise risk management processes to ensure they are managed in line with other operational and strategic risks. Furthermore, the Management reports to the Board annually on the progress of climate risk management and strategic responses.

Throughout the years, we have seized various opportunities to expand our business and accelerate the transformation, so as to achieve a more environmentally friendly working environment. For instance, adoption of automation and digital platforms for online conference to reduce carbon footprint in transportation. These measures enhance our performances in sustainability, aligning with our commitment to resource management and environmental protection.

Environmental, Social and Governance Report

Climate-related Financial Matters⁸

The Group has systematically identified climate-related physical and transition risks. Relevant potential impacts on the Group are outlined in the “Climate-related Risks and Opportunities” section. The Group will continue to monitor market and policy developments and dynamically assess corresponding strategic plans.

Analyses of climate-related risks affecting the Group’s cash flows, access to finance and cost of capital in the short-, medium- and long-term are set out in the section “Climate-Related Risks and Opportunities” above. The Group is planning to enhance its climate risk assessment and financial impact analysis mechanisms, and gradually advance the quantification and disclosure of climate-related financial impacts through ongoing monitoring, analysis and data accumulation.

To strengthen the link between climate-related risk and financial management, the Group plans to allocate dedicated resources within the next ten years to conduct systematic climate risk assessments, starting with qualitative analysis of potential financial impacts. Upon completion of qualitative assessment, quantitative research and measurement will be further developed to establish a climate-financial data framework to support long-term sustainable operations.

Capital Deployment and Allocation of Financial Resources

In 2025, the Group allocated adequate financial resources to ESG (including climate-related) initiatives to ensure the effective implementation of relevant strategies and action plans, reflecting its commitment to sustainable development. Going forward, the Group intends to further increase investment in climate-related efforts, including ESG advisory services, electric vehicle procurement and equipment upgrades. By strengthening dedicated manpower and financial resources, the Group will further integrate sustainable development principles into its daily operations and decision-making processes.

Climate-related Scenario Analysis

To further strengthen its climate risk management capabilities, the Group plans to conduct systematic climate-related scenario analysis within the next ten years. It will first define clear assessment boundaries and scope, and allocate dedicated manpower and resources to ensure the smooth implementation of such analysis. The planned framework will cover short-term, medium-term and long-term time horizons, with reference to the IPCC’s Shared Socioeconomic Pathways (SSPs), Representative Concentration Pathways (RCPs) and climate scenarios published by the NGFS. This will support a comprehensive evaluation of potential impacts on the Group’s businesses under various climate scenarios. Through this approach, the Group will better understand the effects of climate change on its operations, providing a solid basis for long-term strategic planning and climate risk mitigation.

⁸ During the Reporting Period, no material climate-related financial impacts that can be separately presented, nor separately quantifiable expected financial impacts over the short, medium and long term, were identified.

Metrics and Targets

GHG Emissions

The environmental footprint of the Group's daily operations is mainly comprised of GHG emissions generated from the use of purchased electricity, vehicle fuel consumption, disposal of paper waste and business travel. We have implemented various energy conservation and emission reduction measures, the details of which are set out below in this section.

During the Reporting Period, the GHG emission data is presented as follows:

GHG Emission ⁹	Unit	2025	2024	2023
Scope 1 ¹⁰	tonnes CO ₂ -equivalent	7.56	8.82	Not applicable
Scope 2 ¹¹	tonnes CO ₂ -equivalent	13.09	17.55	18.74
Scope 3 ¹²	tonnes CO ₂ -equivalent	1.59	1.83	0.36
Total GHG Emission	tonnes CO ₂ -equivalent	22.24	28.20	19.10
GHG Emission Intensity	tonnes CO ₂ -equivalent/ employee ¹³	0.74	1.13	0.38

During the Reporting Period, the total GHG emission was 22.24 tonnes (2024: 28.20 tonnes) and its intensity was 0.74 tonnes CO₂-equivalent per employee (2024: 1.13 tonnes CO₂-equivalent per employee). Scope 2 emissions were reduced by approximately 25% compared to 2024, demonstrating the effectiveness of the Group's energy saving and emission reduction policies and measures. Looking ahead, the Group will continue to closely monitor its GHG emissions, making improvement and refinement on respective measures when necessary.

⁹ GHG emission calculations cover the reporting scope of this Report and were performed by reviewing and collecting operational data prior to calculation. The calculations are also based on international, national or regional standards with reference to the "How to Prepare ESG Report" and its Annex "Appendix 2: Reporting guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong, "Methodology for Accounting and Reporting of Greenhouse Gas Emissions from Enterprises in Other Industries (Trial) 《工業其他行業企業溫室氣體排放核算方法與報告指南（試行）》" jointly issued by National Development and Reform Commission and National Centre for Climate Change Strategy and International Cooperation, "2021 Electricity CO₂ Emission Factor 《2021年電力二氧化碳排放因子》", "2022 Electricity CO₂ Emission Factor 《2022年電力二氧化碳排放因子》" and "IPCC Sixth Assessment Report on Climate Change 《IPCC氣候變遷第六次評估報告》" issued by the Ministry of Ecology and Environment of the People's Republic of China.

¹⁰ Emissions in Scope 1 include the emission from the use of corporate vehicles owned by the Group.

¹¹ Emissions in Scope 2 include the emission from the purchased electricity from power companies. Emissions in Scope 2 were calculated using the location-based method.

¹² Scope 3 emissions for 2023 included the Group's emissions from the treatment of waste paper, while Scope 3 emission for 2024 and 2025 included the Group's emissions from the treatment of waste paper and business travel. This Report discloses GHG emissions data for Scope 3 Categories 5 and 6. The remaining categories are not disclosed at this stage due to data collection constraints. The Group will continue to enhance its data collection systems and strengthen communication with value chain partners to improve the completeness of data collection.

¹³ At the end of the Reporting Period, the year-end of 2024 and the year-end of 2023, the Group's total number of employees was 30, 25, 50 respectively.

Environmental, Social and Governance Report

GHG Emissions Mitigation and Target

The Group has established the GHG emission reduction targets, as detailed in the table below. Through setting these targets, the Group aims to continuously optimise its GHG emission reduction measures and promote energy efficiency in a responsible manner.

Target Information	
Target Set¹⁴	With 2021 set as the base year, the Group strive to achieve a 3% reduction in total GHG emissions by 2026 (GHG covered CO ₂ , CH ₄ and N ₂ O); Aims to achieve carbon neutrality by 2050 in Hong Kong region and by 2060 in the PRC, in line with the national and local objectives.
Target Type	Absolute
Objective of Target	Mitigation, adaptation
Monitoring Progress	The Management reviews the target and performance on GHG emission annually, and assess whether a revision on the target is required
Scope of Target	Consistent with the reporting scope of this Report

Compared with the Group's total GHG emissions for the year 2021 (base year), total GHG emissions for the Reporting Period decreased by approximately 34%. The Group will continue to assess, accurately record and disclose its annual GHG emissions, and aims to establish a clear accountability framework to deliver on its emission policies and targets. We will regularly review such targets and policies, and enhance our data collection systems and develop appropriate emission reduction strategies based on forecasts for future years.

¹⁴ During the Reporting Period, the Group has yet to adopt the Science Based Targets initiative (SBTi) framework to set GHG emission reduction target. Going forward, the Group will continue to monitor the latest guidelines of the SBTi framework and combine its own business development plans and operational practical situations to timely assess and promote the formulation of relevant targets, so as to further advance low-carbon transformation.

Environmental, Social and Governance Report

THE STOCK EXCHANGE “ESG CODE” CONTENT INDEX

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (“KPIs”)		Explanation/Reference Section
Subject Area A. Environmental		
Aspect A1 Emissions		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</p> <p>Note: Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations.</p> <p>Hazardous wastes are those defined by national regulations.</p>	Environmental Protection
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Repealed 1 January 2025	/
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Protection
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Waste Management

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (“KPIs”)		Explanation/Reference Section
Aspect A2 Use of Resources		
General Disclosure	<p>Policies on the efficient use of resources, including energy, water and other raw materials.</p> <p>Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.</p>	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Material Management
Aspect A3 The Environment and Natural Resources		
General Disclosure	Policies on minimising the issuer’s significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
Aspect A4 Climate Change		
General Disclosure	Repealed 1 January 2025	/
KPI A4.1	Repealed 1 January 2025	/

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (“KPIs”)		Explanation/Reference Section
Subject Area B. Social		
Employment and Labour Practices		
Aspect B1 Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Caring for Employees
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Employment and Labour Practice
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment and Labour Practice
Aspect B2 Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Occupational health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting Year.	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Occupational Health and Safety

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (“KPIs”)		Explanation/Reference Section
Aspect B3 Development and Training		
General Disclosure	<p>Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.</p> <p>Note: Training refers to vocational training. It may include internal and external courses paid by the employer.</p>	Staff Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Staff Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Staff Development and Training
Aspect B4 Labour Standards		
General Disclosure	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to preventing child and forced labour.</p>	Caring for Employees
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Caring for Employees
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Caring for Employees

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (“KPIs”)		Explanation/Reference Section
Operating Practices		
Aspect B5 Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Operating Practices
KPI B5.1	Number of suppliers by geographical region.	Operating Practices
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Operating Practices
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Operating Practices
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Operating Practices
Aspect B6 Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Service Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Intellectual Property Protection
KPI B6.4	Description of quality assurance process and recall procedures.	Service Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Protection of Customers Privacy and Corporate Information

Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and Key Performance Indicators (“KPIs”)		Explanation/Reference Section
Aspect B7 Anti-corruption		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8 Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities’ interests.	Community Engagement
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Engagement
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Engagement

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(I) Governance		
19	An issuer shall disclose information about:	
19 (a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:	
19 (a) (i)	How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	ESG Governance Structure
19 (a) (ii)	How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	ESG Governance Structure
19 (a) (iii)	How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	ESG Governance Structure
19 (a) (iv)	How the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35).	ESG Governance Structure
19 (b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	
19 (b) (i)	Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	ESG Governance Structure
19 (b) (ii)	Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	ESG Governance Structure

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate-related risks and opportunities		
20	An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:	
20 (a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term.	Climate-related Risks and Opportunities
20 (b)	Explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk.	Climate-related Risks and Opportunities
20 (c)	Specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur.	Climate-related Risks and Opportunities
20 (d)	Explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate-related Risks and Opportunities

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Business model and value chain		
21	An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, the issuer shall disclose:	
21 (a)	A description of the current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain.	Climate-related Risks and Opportunities Determination of Scope of Value Chain: Reasonable Information Relief is adopted. The Group will keep refining its method in determining the scope of value chain in its upcoming climate risk assessment
21 (b)	A description of where in the issuer's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Climate-related Risks and Opportunities Determination of Scope of Value Chain: Reasonable Information Relief is adopted. The Group will keep refining its method in determining the scope of value chain in its upcoming climate risk assessment

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Strategy and decision-making		
22	An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:	
22 (a)	Information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:	Refer to the below
22 (a) (i)	Current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities.	Climate-related Risks and Opportunities; Climate-related Financial Matters
22 (a) (ii)	Current and anticipated adaptation and mitigation efforts (whether direct or indirect).	Climate-related Risks and Opportunities
22 (a) (iii)	Any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer's transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan.	The Group does not have a climate-related transition plan
22 (a) (iv)	How the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40.	Metrics and Targets
22 (b)	Information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	ESG Governance Structure
23	An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).	N/A

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Financial position, financial performance and cash flows		
Current financial effect		
24	An issuer shall disclose qualitative and quantitative information about:	
24 (a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	<p>Climate-related Risks and Opportunities; Climate-related Financial Matters</p> <p>Quantification of Current Financial Effects: The capital deployment during the Reporting Period to address climate-related risks and opportunities is outlined in the “Climate-Related Financial Matters” section of this Report. Quantitative information has not been disclosed at this stage due to confidentiality constraints. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this Report</p>
24 (b)	The climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	No significant risk of material adjustment

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Anticipated financial effect		
25	The issuer shall provide qualitative and quantitative disclosures about:	
25 (a)	How the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy.	Climate-related Financial Matters
25 (b)	How the issuer expects its financial performance and cash flow to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Climate-related Financial Matters Quantification of Anticipated Financial Effects: Capabilities Relief is adopted. For the details of climate-related anticipated financial effects (other than those mentioned in Climate-related Financial Matters section), the Group has yet to disclose it quantitatively. We are working closely with our ESG expert to determine useful parameters for the disclosure of quantitative financial effect information in the future. Qualitative financial effect information is disclosed in this Report

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate resilience		
26	An issuer shall disclose information that enables an understanding of the resilience of the issuer's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer's identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer's circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:	
26 (a)	The issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	
26 (a) (i)	The implications, if any, of the issuer's assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis.	Climate-related Risks and Opportunities; Climate-related Financial Matters;
26 (a) (ii)	The significant areas of uncertainty considered in the issuer's assessment of its climate resilience.	The Group has not conducted climate-related scenario analysis
26 (a) (iii)	The issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(II) Strategy		
Climate resilience		
26 (b)	How and when the climate-related scenario analysis was carried out, including:	
26 (b) (i)	Information about the inputs used, including:	
26 (b) (i) (1)	Which climate-related scenarios the issuer used for the analysis and the sources of such scenarios.	The Group has not conducted climate-related scenario analysis
26 (b) (i) (2)	Whether the analysis included a diverse range of climate-related scenarios.	
26 (b) (i) (3)	Whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks.	
26 (b) (i) (4)	Whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.	
26 (b) (i) (5)	Why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties.	
26 (b) (i) (6)	Time horizons the issuer used in the analysis.	
26 (b) (i) (7)	What scope of operations the issuer used in the analysis (for example, the operation locations and business units used in the analysis).	
26 (b) (ii)	The key assumptions the issuer made in the analysis.	
26 (b) (iii)	The reporting period in which the climate-related scenario analysis was carried out.	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(III) Risk Management		
27	An issuer shall disclose information about:	
27 (a)	The processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:	Refer to the below
27 (a) (i)	The inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes).	The Group has not conducted climate-related scenario analysis. For the data and parameters plan to be used, please refer to the section “Climate-related Scenario Analysis”
27 (a) (ii)	Whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks.	The Group has not conducted climate-related scenario analysis
27 (a) (iii)	How the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria).	Climate-related Risks and Opportunities; The Group has not conducted climate-related scenario analysis
27 (a) (iv)	Whether and how the issuer prioritises climate-related risks relative to other types of risks.	Climate-related Risks and Opportunities

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(III) Risk Management		
27 (a) (v)	How the issuer monitors climate-related risks.	ESG Governance Structure; Climate-related Risks and Opportunities
27 (a) (vi)	Whether and how the issuer has changed the processes it uses compared with the previous reporting period.	N/A
27 (b)	The processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities).	ESG Governance Structure; Climate-related Risks and Opportunities; The Group has not conducted climate-related scenario analysis
27 (c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	Climate-related Risks and Opportunities

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Greenhouse gas emissions		
28	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:	
28 (a)	Scope 1 greenhouse gas emissions.	Metrics and Targets
28 (b)	Scope 2 greenhouse gas emissions.	
28 (c)	Scope 3 greenhouse gas emissions.	
29	An issuer shall:	
29 (a)	Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions.	Metrics and Targets

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Greenhouse gas emissions		
29 (b)	Disclose the approach it uses to measure its greenhouse gas emissions including:	
29 (b) (i)	The measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions.	Metrics and Targets
29 (b) (ii)	The reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions.	
29 (b) (iii)	Any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes.	
29 (c)	For Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions.	
29 (d)	For Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable Information Relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities vulnerable to risks in the future
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable Information Relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities vulnerable to risks in the future
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable Information Relief is adopted in the Reporting Period. The Group is reviewing the climate-related financial effects and will provide quantifiable information including amount and % of assets or business activities aligned with opportunities in the future

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Climate-related Financial Matters; Quantitative information has not been disclosed at this stage due to confidentiality constraints.
Internal carbon prices		
34	An issuer shall disclose:	
34 (a)	An explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis).	The Group does not apply a carbon price in decision-making
34 (b)	The price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions.	
34	Or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	No climate-related considerations are factored into remuneration policy

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Industry-based metrics		
36	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterize participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	Disclosure of industry-based metrics has yet to be included
Climate-related targets		
37	An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:	
37 (a)	The metric used to set the target.	Metrics and Targets
37(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives).	
37 (c)	The part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region).	

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Climate-related targets		
37 (d)	The period over which the target applies;	Metrics and Targets
37 (e)	The base period from which progress is measured;	
37 (f)	Milestones or interim targets (if any);	
37 (g)	If the target is quantitative, whether the target is an absolute target or an intensity target.	
37 (h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
38 (a)	Whether the target and the methodology for setting the target has been validated by a third party.	The target has not been validated by a third party
38 (b)	The issuer's processes for reviewing the target.	Metrics and Targets
38 (c)	The metrics used to monitor progress towards reaching the target.	Metrics and Targets
38 (d)	Any revisions to the target and an explanation for those revisions.	No revisions to the target
39	An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.	Metrics and Targets

Environmental, Social and Governance Report

Part D: Climate-related Disclosures		
Climate-related Disclosures		Section/Statement
(IV) Metrics and Targets		
Climate-related targets		
40	For each greenhouse gas emission targets disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
40 (a)	Which greenhouse gases are covered by the target.	Metrics and Targets
40 (b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	Metrics and Targets
40 (c)	Whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target.	Metrics and Targets
40 (d)	Whether the target was derived using a sectoral decarbonisation approach.	Sectoral decarbonisation approach was not used
40 (e)	The issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	The Group did not use carbon credits in the Reporting Period
40 (e) (i)	The extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits.	
40 (e) (ii)	Which third-party scheme(s) will verify or certify the carbon credits.	
40 (e) (iii)	The type of carbon credit, including whether the underlying offset will be nature-based or based on technology carbon removals, and whether the underlying offset is achieved through carbon reduction or removal.	
40 (e) (iv)	Any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).	

Directors' Report

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company. The principal activities of the Company's principal subsidiaries are provision of property-related business, including the provision of property development, planning consultancy and sales agency services (including property management service) for the property markets in the PRC. Particulars of the Company's major subsidiaries are set out in note 21 to the consolidated financial statements. The nature of the principal activities of the Group has not material changed during the year under review.

A review of the Group's business and likely future development can be found in the section headed 'Management Discussion and Analysis' of this annual report. For a description of the principal risks and uncertainties facing the Group, please refer to the sections headed 'Corporate Governance Report' and 'Environmental, Social and Governance Report' in this annual report.

Environmental Policy and Performance

As a property-related business service enterprises, the Group understood that we shoulder the relevant duties and obligations to environmental protection. Although our business nature has less impact on the environment and natural resources, we also formulated the relevant environmental policy to guide us comply with the relevant environmental laws and regulations, adopted various environmental measures in our daily operations and lower the carbon footprint of the Group. It includes energy saving, water conservation and paper usage reduction in office. We continued to seek for any suitable opportunity to reduce our impact on environment in our daily operation. For details of the environmental policy and performance of the Group, please refer to the section headed "Environmental, Social and Governance Report" in this report.

Compliance with Relevant Laws and Regulations

During the year ended 31 December 2025, the Group has complied with all relevant laws and regulations that have a significant impact on the Group.

The Important Relationship between the Group and its Employees, Customers and Suppliers

The Group has maintained a good relationship with its employees, customers and suppliers that have a significant impact on the Group and on which the Group's success depends.

Employees: The Group deeply believes that its employees are essential to its continuous business growth. We strive to provide our employees with fair and competitive remuneration and benefits, maintain reasonable promotion ladder, provide a variety of training to enhance comprehensive quality of employees and facilitate their personal and career development. We also strictly complied with relevant labour and occupational safety laws and regulations in the location of operation to safeguard the reasonable interest of our employees. Meanwhile, we organized and held activities for our staffs on a regular basis in order to closely connected with them and enhance the cohesion and bonding. In addition, we put great emphasis on staffs' health and safety and committed to providing a tidy, comfortable and safe workplace for our staff in order to lower the chance of workplace injury. In order to understand the ideas and advices of our staff towards the Group, our staff could express their opinions to the management through our established communication channels and strengthen their mutual relationships.

Customers: The major customers of the Group include property buyers, sellers, owners and potential investors. We are committed to providing comprehensive and quality property consulting and sales services to the customers, render clear and accurate information of property projects and market intelligence, as well as fulfill confidentiality obligations to protect data privacy of the customers to earn their trust.

Suppliers: The major suppliers of the Group include suppliers of office supplies and other property service providers, including but not limited to renovation services and advertisement designing services. The Group seeks to maintain impartial and long-term cooperation with the suppliers and formulated a set of procurement and tendering process, supplier selection process and code of conduct to properly manage suppliers, to ensure a fair and square tendering process and maintain a business environment which allows fair competition among suppliers to attain mutual trust and respect. Moreover, we also assess the performance of our suppliers on a regular basis to ensure the product and service standard of our suppliers maintain at a high quality level.

For details of the relationship between the Group and its employees, customers and suppliers, please refer to the section headed "Environmental, Social and Governance Report" in this report.

Directors' Report

Business Review

During the year under review, the Company has complied with all the relevant laws and regulations that have a significant impact on the operations of the Group. The Group has maintained a good relationship with its employees, customers and suppliers.

Further discussion and analysis of the business review as required under Schedule 5 to the Companies Ordinance (Chapter 622 of the laws of Hong Kong), including, among others, a description of the principal risks and uncertainties facing the Group and an indication of the likely future development in the Group's business, can be found in the section headed "Management Discussion and Analysis" as set out on pages 9 to 14 of this report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 and the state of affairs of the Company and the Group as at 31 December 2025 are set out in the consolidated financial statements on pages 110 to 174 of this report.

On 31 March 2026, the Directors resolved not to recommend any final dividend to the shareholders of the Company (the "Shareholders") for the year ended 31 December 2025.

DIVIDEND POLICY

The Company has adopted a dividend policy ("Dividend Policy"), pursuant to which the Company may declare and distribute dividends to the Shareholders, provided that the Group records a profit after tax and that the declaration and distribution of dividends does not affect the normal operations of the Group.

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 operations, earnings, financial condition, cash requirements and availability, capital expenditure and future development requirements and other factors it may deem relevant at such time. Any payment of the dividend by the Company is also subject to any restrictions under the Companies Law of the Cayman Islands, and the articles of association of the Company ("Articles of Association").

The Board would aim to recommend an annual dividend payment at a target payout ratio in a range of 10% to 30% of the Group's consolidated net profit for distribution to the Shareholders for the then financial year, subject to the criteria set out in the Dividend Policy.

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.

CLOSURE OF REGISTER OF MEMBERS

To ascertain Shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on 26 June 2026, the register of members of the Company will be closed from Monday, 22 June 2026 to Friday, 26 June 2026 (both days inclusive) during which period no transfer of shares will be registered. The record date will be Friday, 26 June 2026.

In order to qualify for attending and voting at the forthcoming annual general meeting of the Company (the "2026 AGM"), all share transfer documents accompanied by the relevant share certificates must be lodged with Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, being the Company's branch share registrar and transfer office in Hong Kong, for registration no later than 4:30 p.m. on Thursday, 18 June 2026.

INVESTMENT PROPERTIES

Details of investment properties of the Group are set out in note 20 to the consolidated financial statements as well as the section headed "Summary of Major Properties" on page 176 of this report.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Company and of the Group during the year under review are set out in note 18 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the year under review are set out in note 29 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Company and of the Group are set out in note 30(b) to the consolidated financial statements and the consolidated statement of changes in equity on page 114, respectively.

DISTRIBUTABLE RESERVES

Under the Companies Act of the Cayman Islands, Cap. 22 (Act 3 of 1961, as revised and consolidated from time to time), the share premium is available for distribution to Shareholders subject to the provisions of the articles of association of the Company (the "Articles of Association"), and no distribution may be paid to Shareholders out of the Company's share premium unless the Company shall be able to pay its debt as they fall due in the ordinary course of business. As at 31 December 2025, the Company's has no (2024: Nil) reserves available for distribution.

GROUP FINANCIAL SUMMARY

The results, assets and liabilities of the Group for the last five financial years are summarized in the section headed "Summary of Financial Information" on page 175 of this report.

Directors' Report

DIRECTORS

The Directors of the Company during the year under review and up to the date of this report are as follows:

Executive Directors

Mr. Chiang Chen Feng (*Chairman*)
Ms. Chang Hsiu Hua
Mr. Han Lin (Resigned on 28 November 2025)
Ms. Wang Jia (Appointed on 28 November 2025)

Non-Executive Director

Ms. Lin Chien Ju

Independent Non-Executive Directors

Mr. Cui Shi Wei
Mr. Lam Chun Choi
Mr. Chow Yiu Ming

Mr. Han Lin resigned on 28 November 2025 as executive Director of the Company due to his wish to focus on other career commitments. Mr. Han has confirmed that he has no disagreement with the Board and nothing relating to the affairs of the Company needed to be brought to the attention of the shareholders of the Company.

According to Article 108(A) of the Articles of Association, not less than one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company. Any Director who retires under this article shall then be eligible for re-election as Director. Ms. Chang Hsiu Hua, Ms. Lin Chien Ju and Mr. Lam Chun Choi will retire as Directors and, being eligible, offer themselves for re-election as Directors at the 2026 AGM.

In addition, pursuant to article 112 of the Articles of Association, any Director appointed by the Board to fill a casual vacancy or as an additional Director shall hold office until the next following general meeting of the Company and shall then be eligible for re-election at the meeting. By virtue of article 112 of the Articles of Association, the office of Ms. Wang Jia will end at the 2026 AGM. Ms. Wang Jia, being eligible, will offer herself for re-election as Director at the 2026 AGM.

INDEPENDENT NON-EXECUTIVE DIRECTORS' CONFIRMATION

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules, and as at the date of this report, the Company still considers all of them to be independent.

MECHANISMS FOR INDEPENDENT VIEWS AND INPUT TO THE BOARD

To ensure independent views and input are available to the Board, the following mechanisms are implemented.

1. The Board requires that each independent non-executive Directors provide written confirmation as to the factors affecting their independence as provided under the Listing Rules every year.
2. In recruiting independent non-executive Directors, the Nomination Committee shall assess if the candidate(s) would be independent with reference to, among others, the relevant guidelines set out in the Listing Rules and also consider other factors, including but not limited to his/her character, integrity, cross-directorships and significant links with other Directors, time commitment, professional qualifications and relevant work experience.
3. The Nomination Committee shall review the structure, size and composition of the Board by taking into account of various aspects, including the diversity policy of the Board and measurable objectives (if any) to achieve Board diversity, on an annual basis.
4. The Board shall also take into account the lack of involvement in the daily management of the Company and the relationship or circumstances of the independent non-executive Directors and their prospective candidates which would affect the exercise of their independent judgement.
5. The Chairman shall meet with the independent non-executive Directors at least once a year without the presence of the other Directors to solicit their views and discuss matters concerning the Group.
6. The Board shall also ensure that further re-appointment of any long-serving independent non-executive Director is subject to a separate resolution to be approved by the Shareholders at the annual general meetings of the Company.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment until terminated by either party giving to the other not less than three months' advance written notice of termination.

Each of Ms. Lin Chien Ju, a non-executive Director and Mr. Cui Shi Wei, an independent non-executive Director, has been appointed for a term of one year commencing from 10 June 2006; while Mr. Lam Chun Choi, an independent non-executive Director, has been appointed for a term of one year commencing from 19 September 2017; while Mr. Chow Yiu Ming, an independent non-executive Director, has been appointed for a term of one year commencing from 21 June 2019, all of which are renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment until terminated by not less than three months' notice in writing served by either the Company or the respective Director on the other party.

Directors' Report

None of the Directors proposed for re-election at the forthcoming 2026 AGM has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation (except for statutory compensation).

DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENT

The emolument payable to Directors is determined by the Board with reference to recommendations given by the remuneration committee of the Company to the Board taking into account the Directors' duties and responsibilities. Details of the Directors' remuneration during the year under review is set out in note 14 to the consolidated financial statements.

The remuneration of the senior management of the Group during the year under review are set out below in bands:

	Number of individuals	
	2025	2024
HK\$Nil to HK\$1,000,000 (equivalent to approximately RMBNil to RMB903,000) (2023: equivalent to approximately RMBNil to RMB901,000)	2	2

Save as disclosed in the section headed 'Share Option Scheme' in this Directors' Report, there was no equity-linked agreement entered into by the Company during the year, or which subsisted at the end of the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Particulars of related party transaction and balances are disclosed in note 32 to the consolidated financial statements. Such related party transactions are fully exempted connected transactions or continuing connected transactions which have complied with the requirements of Chapter 14A of the Listing Rules.

Save as disclosed above, there was no transaction, arrangement or contract subsisting during or at the end of the year entered into by the Company or its subsidiaries in which any Director or an entity connected with a Director was materially interested, whether directly or indirectly, and which was significant in relation to the business of the Group.

CONTRACTS OF SIGNIFICANCE

No contracts of significance between the Company, or any of its subsidiaries, and a controlling shareholder or any of its subsidiaries nor contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder or any of its subsidiaries subsisted during or at the end of the year ended 31 December 2025.

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

As at 31 December 2025, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO), or 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") as set out in Appendix C3 to the Listing Rules, were as follows:

Name of Directors	Company/ Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding (Note 12)
Mr. Chiang Chen Feng ("Mr. Chiang")	The Company	Interest of a controlled corporation (Note 2)	89,659,979 Ordinary Shares (L)	36.42%
		Beneficial owner and interest of spouse (Note 3)	1,637,390 Ordinary Shares (L)	0.67%
		Beneficial owner and interest of spouse (Note 4)	4,200,000 Ordinary Shares (L)	1.71%
Ms. Lin Chien Ju ("Ms. Lin")	The Company	Interest of a controlled corporation (Note 5)	43,722,460 Ordinary Shares (L)	17.76%
		Beneficial owner (Note 6)	100,000 Ordinary Shares (L)	0.04%
Ms. Wang Jia ("Ms. Wang")	The Company	Beneficial owner	20,000 Ordinary Shares (L)	0.00%
		Beneficial owner (Note 7)	300,000 Ordinary Shares (L)	0.12%

Directors' Report

Name of Directors	Company/ Name of associated corporation	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding (Note 12)
Ms. Chang Hsiu Hua ("Ms. Chang")	The Company	Interest of spouse (Note 8)	89,659,979 Ordinary Shares (L)	36.42%
		Beneficial owner and interest of spouse (Note 9)	1,637,390 Ordinary Shares (L)	0.67%
		Beneficial owner and interest of spouse (Note 10)	4,200,000 Ordinary Shares (L)	1.66%
Mr. Cui Shi Wei ("Mr. Cui")	The Company	Beneficial owner (Note 11)	200,000 Ordinary Shares (L)	0.08%

Notes:

- The letter "L" denotes the Directors' long position in the shares ("Shares") or underlying Shares of the Company.
- These Shares were registered in the name of Active Star Investment Limited ("Active Star"), the entire issued capital of which was owned by Mr. Chiang. Mr. Chiang and Ms. Chang were the directors of Active Star. Mr. Chiang was deemed to be interested in all the Shares in which Active Star was interested by virtue of the SFO.
- The long position of Mr. Chiang in these 1,637,390 Shares comprised the 894,347 Shares and 743,043 Shares beneficially owned by him and his wife, Ms. Chang respectively. Mr. Chiang was regarded as interested in all the Shares in which Ms. Chang was interested by virtue of the SFO.
- The long position of Mr. Chiang in these 4,200,000 Shares comprised 2,400,000 options and 1,800,000 options granted to him and his wife respectively by the Company under the share option scheme on 19 January 2017. Mr. Chiang was regarded as interested in all the Shares in which Ms. Chang was interested by virtue of the SFO.
- These Shares were registered in the name of Upwell Assets Corporation ("Upwell Assets"), the entire issued capital of which was evenly owned by Ms. Lin and her sister, Ms. Lin Shu Chi. Ms. Lin was also one of the directors of Upwell Assets. Ms. Lin was deemed to be interested in all the Shares in which Upwell Assets was interested by virtue of the SFO.

6. The long position of Ms. Lin in these 100,000 Shares comprised the 100,000 options granted to her by the Company under the share option scheme on 19 January 2017.
7. The long position of Ms. Wang in these 300,000 Shares comprised the 300,000 options granted to her by the Company under the share option scheme on 19 January 2017.
8. Ms. Chang was regarded as interested in all the Shares held by Active Star, of which Ms. Chang is a director and the entire issued share capital of was held by Mr. Chiang, her spouse.
9. The long position of Ms. Chang in these 1,637,390 Shares comprised the 743,043 Shares and 894,347 Shares beneficially owned by her and her spouse, Mr. Chiang, respectively. Ms. Chang was regarded as interested in all the Shares in which Mr. Chiang was interested by virtue of the SFO.
10. The long position of Ms. Chang in these 4,200,000 Shares comprised 1,800,000 options and 2,400,000 options granted to her and her spouse, Mr. Chiang, respectively by the Company under the share option scheme on 19 January 2017. Ms. Chang was regarded as interested in all the Shares in which Mr. Chiang was interested by virtue of the SFO.
11. The long position of Mr. Cui in these 200,000 Shares represented 200,000 options granted to him by the Company under the share option scheme on 19 January 2017.
12. These percentages are calculated on the basis of 246,183,390 Shares of the Company in issue as at 31 December 2025, assuming that all the outstanding options granted under the share option schemes had been exercised as at that date.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of the SFO) which had been notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO), or 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.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2025, the interests or short positions of the persons (other than a Director or 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:

Name of shareholder	Capacity	Number and class of securities (Note 1)	Approximate percentage of shareholding
Active Star	Beneficial owner (Note 2)	89,659,979 Ordinary Shares (L)	36.42%
Upwell Assets	Beneficial owner (Note 3)	43,722,460 Ordinary Shares (L)	17.76%
Ms. Lin Shu Chi	Interest of a controlled corporation (Note 3)	43,722,460 Ordinary Shares (L)	17.76%
Honorway Nominees Limited ("Honorway Nominees")	Beneficial owner (Note 4)	19,528,103 Ordinary Shares (L)	7.93%
Honorway Investments Limited	Interest of a controlled corporation (Note 4)	19,528,103 Ordinary Shares (L)	7.93%
Mr. Ho Hau Chong, Norman	Interest of a controlled corporation (Note 4)	19,528,103 Ordinary Shares (L)	7.93%
Ms. Yvette Therese Ma	Interest of spouse (Note 5)	19,528,103 Ordinary Shares (L)	7.93%
Mr. Ho Hau Hay, Hamilton	Interest of a controlled corporation (Note 4)	19,528,103 Ordinary Shares (L)	7.93%
Ms. Sharon Young	Interest of spouse (Note 6)	19,528,103 Ordinary Shares (L)	7.93%
Mr. Zhu Kai	Beneficial owner	9,998,000 Ordinary Shares (L)	4.06%
	Interest of a controlled Corporation (Note 7)	3,096,000 Ordinary Shares (L)	1.26%

Notes:

1. The letter "L" denotes the shareholders' long position in the Shares or underlying Shares of the Company.
2. These Shares were registered in the name of Active Star, the entire issued share capital of which was owned by Mr. Chiang and of which Mr. Chiang and Ms. Chang are the directors. Mr. Chiang and Ms. Chang were therefore deemed to be interested in all the Shares in which Active Star was interested by virtue of the SFO.
3. These Shares were registered in the name of Upwell Assets, the entire issued share capital of which was evenly owned by Ms. Lin Shu Chi and Ms. Lin, a non-executive Director. Ms. Lin Shu Chi and Ms. Lin were deemed to be interested in all the Shares in which Upwell Assets was interested by virtue of the SFO.
4. These Shares were registered in the name of Honorway Nominees, which was held as to 99% by Honorway Investments Limited, which was in turn held as to 39% each by Mr. Ho Hau Chong, Norman and his brother, Mr. Ho Hau Hay, Hamilton. Mr. Ho Hau Chong, Norman, Mr. Ho Hau Hay, Hamilton and Honorway Investments Limited were deemed to be interested in all the Shares in which Honorway Nominees was interested by virtue of the SFO.
5. Ms. Yvette Therese Ma was deemed to be interested in all the Shares in which Mr. Ho Hau Chong, Norman, her spouse, was interested by virtue of the SFO.
6. Ms. Sharon Young was deemed to be interested in all the Shares in which Mr. Ho Hau Hay, Hamilton, her spouse, was interested by virtue of the SFO.
7. These Shares were registered in the name of Double Energy Limited, the entire issued share capital of which was owned by Mr. Zhu Kai. Mr. Zhu Kai was deemed to be interested in all the Shares in which Double Energy Limited was interested by virtue of the SFO.

Save as disclosed above, as at 31 December 2025, no person (other than a Director or chief executive of the Company), had registered an interest or short position in the Shares or underlying Shares of the Company that was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEMES

A post-IPO share option scheme ("Share Option Scheme") was also adopted pursuant to the resolutions passed by all Shareholders on 17 June 2016. The purpose of the Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contribution to the Group. The Share Option Scheme will remain in force for a period of 10 years commencing from 17 June 2016, with a remaining life of approximately 2 years as at the date of this report.

Eligible participants of the Share Option Scheme include, among others, the Group's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, persons that provide research, development or other technological support to the Group, shareholders of the Group and the advisers or consultants of the Group.

Directors' Report

Details of the movements in the Company's outstanding share options granted under the Share Option Scheme for the year ended 31 December 2025 were as follows:

Category of participant	Number of shares in respect of share options				Outstanding as at 31 December 2025	Date of grant (Note)	Exercise period	Exercise price per Share HK\$	Closing price of the Shares on the trading day immediately before the date of grant HK\$
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled or lapsed during the year					
Directors:									
Chiang Chen Feng	1,200,000	-	-	-	1,200,000	19/1/2017	19/01/2018 to 18/01/2027	1.130	1.08
	1,200,000	-	-	-	1,200,000	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
	2,400,000	-	-	-	2,400,000				
Chang Hsiu Hua	900,000	-	-	-	900,000	19/1/2017	19/01/2018 to 18/01/2027	1.130	1.08
	900,000	-	-	-	900,000	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
	1,800,000	-	-	-	1,800,000				
Han Lin (Resigned on 28 November 2025)	750,000	-	-	750,000	-	19/1/2017	19/01/2018 to 18/01/2027	1.130	1.08
	750,000	-	-	750,000	-	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
	1,500,000	-	-	1,500,000	-				
Wang Jia (Appointed on 28 November 2025)	300,000	-	-	-	300,000	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
Lin Chien Ju	100,000	-	-	-	100,000	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
	100,000	-	-	-	100,000				
Cui Shi Wei	100,000	-	-	-	100,000	19/1/2017	19/01/2018 to 18/01/2027	1.130	1.08
	100,000	-	-	-	100,000	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
	200,000	-	-	-	200,000				
Employees:									
In aggregate	50,000	-	-	-	50,000	19/1/2017	19/01/2018 to 18/01/2027	1.130	1.08
	450,000	-	-	400,000	50,000	19/1/2017	19/01/2019 to 18/01/2027	1.130	1.08
	500,000	-	-	400,000	800,000				
Total	6,800,000	-	-	1,900,000	4,900,000				

Note: The vesting period of the share options is from the date of grant until the commencement of the exercise period.

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme of the Group must not in aggregate exceed 30% of the Shares in issue from time to time (i.e. 73,855,017 Shares as at the date of this report) (the "Overriding Limit"). No further options may be granted under the Share Option Scheme if this will result in the Overriding Limit being exceeded.

Subject to the Overriding Limit, the total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme, being 24,473,339 (representing approximately 9.9% of the issued share capital of the Company as at the date of this report) (the "General Scheme Limit").

The maximum number of Shares issuable under the options which may be granted to each eligible participant in the share option scheme within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of options in excess of this limit is subject to Shareholders' approval in a general meeting.

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

The offer of a grant of options may be accepted within 21 days from the date of offer of grant of the option, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the options granted is determinable by the Directors, which period may commence from the date on which the offer for grant of the options is made, and shall end in any event not later than 10 years from the date on which the offer for the grant of the options is made subject to the provisions for early termination thereof. There is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

The exercise price of the options is determinable by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as quoted on the Stock Exchange's daily quotation sheets on the date of the offer for grant of the options; and (ii) the average closing price of the Shares as quoted on the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer for grant of the options; and (iii) the nominal value of the Shares.

As at the date of this report, the total number of Shares available for allotment and issue pursuant to the exercise of options granted under the Share Option Scheme is 4,900,000 Shares, representing approximately 1.99% of the issued share capital of the Company and the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme is 14,323,339 Shares, representing approximately 5.8% of the issued share capital of the Company.

As at 31 December 2025, the number of options available for grant under the scheme mandate limit was 14,323,339 (1 January 2025: 16,223,339).

Directors' Report

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

During the year under review, save as disclosed in the section headed "Share Option Scheme" in this Directors' Report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Directors nor exercised by any of them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate during or at the end of the year under review.

PERMITTED INDEMNITY PROVISION

The service agreements entered into by the Company with each of the executive Directors, which are currently in force and were in force during the year ended 31 December 2025, contain permitted indemnity provisions for the benefit of the executive Directors.

In accordance with the Articles of Association, the Company had a permitted indemnity provision (as defined in section 469 of the Companies Ordinance) in force for the benefit of the Directors throughout the year under review and as at the date of this report, pursuant to which every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their executors or administrators, shall or may incur or sustain 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 or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

In addition, the Company has also taken out and maintained directors' liability insurance during the year which provides appropriate cover for the Directors and directors of the subsidiaries of the Company.

During the year ended 31 December 2025, no claims were made against the Directors.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company which were not a contract of service with any Director or any person engaged in the full-time employment of the Company were entered into or existed during the year.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities during the year under review.

PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

The Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year ended 31 December 2025.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Option Scheme" in this report, the Company did not enter into any other equity-linked agreement, nor did any other equity-linked agreement exist during the year ended 31 December 2025.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the laws of Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to existing Shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate revenue attributable to the Group's largest customer and five largest customers accounted for approximately 97.9% and 100% of the Group's total revenue for the Year respectively.

The aggregate purchase attributable to the Group's largest supplier and five largest suppliers accounted for approximately 86.2% and 86.2% of the Group's total purchases of the Year respectively.

None of the Directors or any of their close associates or any shareholder (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and five largest suppliers.

COMPETITION AND CONFLICT OF INTERESTS

The Directors confirmed that during the Year, they did not have any interest in a business, apart from the business of the Group, which competes or is likely to compete, directly or indirectly, with the business of the Group, that would require disclosure under Rule 8.10 of the Listing Rules.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this report, the Company has maintained a sufficient public float as required under the Listing Rules.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by Confucius International CPA Limited who will retire at the conclusion of the forthcoming 2026 AGM. The Audit Committee recommended the re-election of Confucius International CPA Limited as the external auditor of the Group for the year ending 31 December 2026. A resolution will be proposed at the forthcoming 2026 AGM to re-appoint Confucius International CPA Limited as auditor of the Company for the year ending 31 December 2026. There was no change of auditor of the Company in the three years preceding this annual report.

On behalf of the Board

Fortune Sun (China) Holdings Limited

Mr. Chiang Chen Feng

Chairman

Hong Kong, 31 March 2026

CORPORATE GOVERNANCE PRACTICES

The Company recognises the importance of good corporate governance to its healthy growth, and is committed to adopting appropriate corporate governance practices that meet its business needs.

The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the Corporate Governance Code (the “CG Code”) as set out in Part 2 of Appendix C1 to the Listing Rules. Save for the deviation from code provision C.2.1 of the CG Code in force during the year ended 31 December 2025 as disclosed below, the Directors consider that the Company has complied with the code provisions set out in the CG Code during the year ended 31 December 2025.

Pursuant to code provision C.2.1 of the CG Code, the responsibilities of the chairman and chief executive should be separate and should not be performed by the same individual. For the year under review, the Company did not have a separate chairman and chief executive, with Mr. Chiang Chen Feng performing these two roles. The Board believes that vesting both the roles of chairman and chief executive in the same person has the benefit of ensuring consistent leadership within the Group, and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and such structure will enable the Company to make and implement decisions promptly and efficiently.

Reference is made to the Announcement of the Company dated 7 July 2025, which details of the the subscriptions of wealth management products by members of the Group constituted Major Transactions, as the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the subscriptions of wealth management products offered by the relevant banks, taking into account the acquisition costs of the wealth management products under the relevant subscriptions, exceeds 25%, such subscriptions of wealth management products constituted Major Transactions of the Company and should have been subject to the reporting, announcement and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

To prevent similar incidents in the future, the Company has adopted the following measures:

- I) issued an internal memo to all directors and department heads on notifiable transaction requirements under Chapter 14, in particular relating to the subscription of wealth management products, and reminded them that subscriptions of wealth management products are not exempted from Chapter 14 of the Listing Rules;
- II) arranged training sessions on Chapter 14 requirements to all directors, department heads and relevant personnel during the Year. The compliance department also organised at least one internal compliance training session annually, covering wealth management product risks and the latest Listing Rules requirements; and

Corporate Governance Report

III) enhanced its internal control system by implementing a pre-approval mechanism for all investment-related activities, including wealth management products, financial products and funds. The finance department, which handles the treasury functions, will prepare and submit an “Investment Application Form” for all proposed investments. The compliance department, comprising an executive director and the company secretary with legal and accounting background and experience in Listing Rules compliance and corporate governance, will review the Investment Application Form and assess each investment under Chapters 14/14A to determine whether it triggers disclosure and/or shareholders’ approval requirements. The Investment Application Form must be approved by the board of directors prior to the execution of any proposed transaction. Also, the compliance department will conduct semi-annual reviews of all internal reporting and approval processes and will engage external professional advisers to conduct independent reviews if necessary.

Looking forward, we will continue to conduct reviews on our corporate governance practices from time to time to ensure compliance with the CG Code.

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix C3 of the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standards set out in the Model Code and the Company’s code of conduct during the year ended 31 December 2025.

BOARD OF DIRECTORS

Board Composition

The Group is led by and controlled through the Board, which currently consists of three executive Directors, namely Mr. Chiang Chen Feng, Ms. Chang Hsiu Hua and Ms. Wang Jia, a non-executive Director, namely Ms. Lin Chien Ju, and three independent non-executive Directors, namely Mr. Chow Yiu Ming, Mr. Cui Shi Wei and Mr. Lam Chun Choi. Mr. Chiang Chen Feng is the chairman of the Board. Their biographical details are set out on pages 6 to 8 of this report.

Save for the spousal relationship between Mr. Chiang Chen Feng and Ms. Chang Hsiu Hua, both being executive Directors, there is no other family relationship between any of the Directors, nor is there any financial, business or other material or relevant relationships among the members of the Board.

All Directors including the non-executive Directors, are subject to retirement by rotation at annual general meetings of the Company at least once every three years pursuant to article 108(A) of the Articles of Association. During the year under review, Mr. Chiang Chen Feng, Mr. Han Lin and Mr. Chow Yiu Ming retired by rotation and were re-elected as Directors at the annual general meeting of the Company held on 20 June 2025.

Board's Responsibilities and Delegation

Members of the Board are individually and collectively accountable to the Shareholders for the sustainable development of the Company. The Board oversees the overall management and operations of the Group. Major responsibilities of the Board include approving the Group's overall business, financial and technical strategies, setting key performance targets, approving financial budgets and major expenditures, formulating and approving internal control and risk management systems and supervising and scrutinizing the performance of the management. The Directors have to make decisions objectively in the interests of the Company. All Board members have separate and independent access to the senior management, and are provided with timely information about the conduct of the business and development of the Company, including monthly reports and recommendations on significant matters to enable them to discharge their duties.

The executive Directors and senior management are responsible for implementation of the strategies and business direction adopted by the Board from time to time and supervision of the day-to-day operations of the Group. The executive Directors and senior management meet regularly to review the business performance of the Group as a whole and make financial and operational decisions.

Non-executive Directors

The non-executive Directors (including the independent non-executive Directors) have been appointed by the Company for a term of one year commencing from 10 June 2006, 19 September 2017 or 21 June 2019 renewable automatically for successive terms of one year commencing from the day next after the expiry of the then current term of appointment until terminated by not less than 3 months' notice in writing served by either the Company or the respective Director to the other.

All the independent non-executive Directors have confirmed in writing to the Company that they have met all the guidelines for assessing their independence as set out in Rule 3.13 of the Listing Rules. Notwithstanding that certain of the independent non-executive Directors have served on the Board for more than nine years, in view that they have demonstrated the attributes as independent non-executive Directors during their tenure in office and taking into account their written confirmation of independence as regards Rule 3.13 of the Listing Rules, the Company considers that all the independent non-executive Directors to be independent and believes that their continued service as independent non-executive Directors will be beneficial to the Company and the Shareholders.

Corporate Governance Report

BOARD MEETINGS AND ATTENDANCE

It is intended that the Board should meet regularly for at least four times a year, i.e. at approximately quarterly intervals. Additional meetings of the Board will be convened as and when required. Pursuant to article 133 of the Articles of Association, the Directors may participate in a Board or Board committee meeting either in person or through electronic means of communications. During the year ended 31 December 2025, the Board convened a total of four Board meetings (exclusive of meetings of Board committees constituted by the Board). The individual attendance record of the Directors at board meetings is tabulated as follows:

Name of Directors	Attendance/ Number of meetings
Executive Directors	
Mr. Chiang Chen Feng (<i>Chairman</i>)	4/4
Ms. Chang Hsiu Hua	4/4
Mr. Han Lin (resigned on 28 November 2025)	4/4
Ms. Wang Jia (appointed on 28 November 2025)	1/4
Non-executive Director	
Ms. Lin Chien Ju	4/4
Independent non-executive Directors	
Mr. Cui Shi Wei	4/4
Mr. Lam Chun Choi	4/4
Mr. Chow Yiu Ming	4/4

COMMITTEES OF THE BOARD

The Board has established the Executive Committee, the Nomination Committee, the Audit Committee and the Remuneration Committee (as defined below) for overseeing different aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties and may seek independent professional advice in appropriate circumstances, at the Company's expense. The terms of reference of the Nomination Committee, the Audit Committee and the Remuneration Committee are published on the Company's website (www.fortune-sun.com) and the Stock Exchange's website (www.hkexnews.hk).

Details of the membership, roles and functions of these Board committees are set out below.

Executive Committee

The Board has established an executive committee (the “Executive Committee”) with written terms of reference on 12 January 2007. It consists of all of the executive Directors, namely, Mr. Chiang Chen Feng, Ms. Chang Hsiu Hua and Ms. Wang Jia. Mr. Chiang Chen Feng is the chairman of the Executive Committee.

The Executive Committee meets as and when required to review and approve, inter alia, any matters concerning implementation of strategies, policies and procedures approved by the Board, and the day-to-day operations and management of the Group, and has all the general powers of the Board except those matters specifically reserved for the Board. The Executive Committee did not convene any meeting during the year ended 31 December 2025.

Nomination Committee

The Board has set up a nomination committee (the “Nomination Committee”) on 10 June 2006. The written terms of reference of the Nomination Committee have been published on the websites of the Company and the Stock Exchange. The Nomination Committee currently consists of one executive Director, namely, Mr. Chiang Chen Feng and two independent non-executive Directors, namely, Mr. Chow Yiu Ming and Mr. Lam Chun Choi. Mr. Chiang Chen Feng is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee are to make recommendations to the Board in respect of composition of the Board and its committees and policy and procedures of nomination and determination of new appointment and re-appointment of Directors, to monitor the implementation of the Board diversity policy and to ensure the effectiveness of the policy and to assess the independence of the independent non-executive Directors.

The Board has adopted a written policy for the nomination of new Director (the “Nomination Policy”). In evaluating and selecting any candidate for directorship, the criteria to be taken into account when considering the suitability of a candidate shall include his reputation for integrity and standing, his ability to devote sufficient time and attention to the affairs of the Company, and contribution to the board diversity policy of the Company as well as the effective carrying out by the Board of its responsibilities.

When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, the Nomination Committee shall consider a variety of factors including without limitation the following in assessing the suitability of the proposed candidate:

- i. The Board diversity policy adopted by the Company (the “Board Diversity Policy”);
- ii. Reputation for integrity;
- iii. Accomplishment and experience that are relevant to the operations of the Company and its subsidiaries;
- iv. Commitment in respect of sufficient time, interest and attention to the Company’s affairs;
- v. The ability to assist and support management and make significant contributions to the Company’s success;

Corporate Governance Report

- vi. Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive director; and
- vii. Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations.

Procedures for Appointment of New Director

If the Board recognizes the need to appoint a new Director, the following procedures shall be adopted:

- i. The Nomination Committee identifies candidates in accordance with the selection criteria set out in the Nomination Policy and Board Diversity Policy.
- ii. The Nomination Committee evaluates the candidates and recommends to the Board the appointment of the appropriate candidate for directorship.
- iii. The key terms and conditions of the appointment should be approved by the Remuneration Committee.
- iv. The Board considers and decides the appointment based upon, among others, the recommendation of the Nomination Committee.

Procedures for Re-election of Director at General Meeting

- i. The Nomination Committee reviews the overall contribution to the Group of the retiring Director.
- ii. The Nomination Committee also reviews and determines whether the retiring Director continues to meet the selection criteria set out in the Nomination Policy and Board Diversity Policy (and Listing Rules in the case of independent non-executive Directors).
- iii. The Nomination Committee shall make appropriate recommendations to the Board which shall then make recommendation to the Shareholders in respect of the proposed re-election of Director at the general meeting.

Pursuant to the Board Diversity Policy, when reviewing the composition of the Board and considering the nomination of new Directors, the Nomination Committee will take into account the qualification, ability, working experience, leadership, cultural and educational background, race, gender, age and professional ethics of potential candidates and also business needs of the Company.

With reference to the business needs of the Group, the following measurable objectives have been set for implementing the Board Diversity Policy of the Company: (a) a prescribed proportion of Board members shall be non-executive Directors or independent non-executive Directors; (b) a prescribed proportion of Board members shall have attained bachelor's degree or above; (c) a prescribed proportion of Board members shall have obtained accounting or other professional qualifications; (d) a prescribed proportion of Board members shall have more than seven years of experience in the industry they specialized in; and (e) a prescribed proportion of Board members shall have China-related work experience. Based on the review by the Nomination Committee, the Nomination Committee considers that the Company has achieved the measurable objectives set for implementing the Board Diversity Policy of the Company for the year under review. For further details of the Company's Board Diversity Policy, please refer to the paragraph headed "Board Diversity Policy" in this report.

During the year ended 31 December 2025, the Nomination Committee convened one meeting to review the policy and procedures for nomination of Directors; to review the process and criteria adopted to select and recommend candidates for directorship; to review the terms of reference; to review the independence of independent non-executive Directors, and to review the board diversity policy. The individual attendance record of each member of the Nomination Committee is tabulated as follows:

Name of Members	Attendance/ Number of meeting
Mr. Chiang Chen Feng (<i>Chairman</i>)	2/2
Mr. Lam Chun Choi	2/2
Mr. Chow Yiu Ming	2/2

Audit Committee

The Company has established an audit committee (the "Audit Committee") with written terms of reference on 10 June 2006. The written terms of reference have been published on the websites of the Company and the Stock Exchange. The Audit Committee consists of three independent non-executive Directors, namely Mr. Chow Yiu Ming, Mr. Cui Shi Wei and Mr. Lam Chun Choi. Mr. Chow Yiu Ming is the chairman of the Audit Committee.

The Audit Committee was set up for the purposes of reviewing and supervising the financial reporting process and internal control procedures of the Group and regulating the financial reporting procedures, internal controls and risk management system of the Group. It is responsible for making recommendations to the Board for the appointment, reappointment or removal of the external auditor; reviewing and monitoring the external auditor's independence and objectivity, as well as reviewing and monitoring the effectiveness of the audit process to make sure that the same is in full compliance with applicable standards.

Corporate Governance Report

During the Year, the Audit Committee met with the external auditor to review and approve the audit plans and also reviewed the Group's annual results of 2024 and interim results of 2025 and the audit findings with the attendance of the external auditor and executive Directors. The Audit Committee had reviewed the accounting policies, accounting standards and practices adopted by the Group and the consolidated financial statements and results of the Group for the year ended 31 December 2025. The Audit Committee convened three meetings during the year ended 31 December 2025. The individual attendance record of each member of the Audit Committee is tabulated as follows:

Name of Members	Attendance/ Number of meetings
Mr. Cui Shi Wei	3/3
Mr. Lam Chun Choi	3/3
Mr. Chow Yiu Ming	3/3

Remuneration Committee

The Board has established a remuneration committee (the "Remuneration Committee") with written terms of reference on 10 June 2006. The written terms of reference have been published on the websites of the Company and the Stock Exchange. The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Chow Yiu Ming, Mr. Cui Shi Wei and Mr. Lam Chun Choi. Mr. Cui Shi Wei is the chairman of the Remuneration Committee.

The primary duty of the Remuneration Committee is to make recommendations to the Board on the terms of remuneration packages, bonuses and other compensation payable to individual executive Directors and senior management as well as review or approve matters relating to share schemes under Chapter 17 of the Listing Rules.

Corporate Governance Report

During the year ended 31 December 2025, the Remuneration Committee had reviewed and approved the payment of bonus to senior management and staff of the Group for the financial year ended 31 December 2025. The Remuneration Committee had also given recommendations to the Board in respect of remuneration packages payable to the Directors and senior management, the emolument policy and long-term incentive schemes of the Group. During the year ended 31 December 2025, one meeting of the Remuneration Committee was held. The individual attendance record of each member of the Remuneration Committee is tabulated as follows:

Name of Members	Attendance/ Number of meetings
Mr. Cui Shi Wei (<i>Chairman</i>)	2/2
Mr. Lam Chun Choi	2/2
Mr. Chow Yiu Ming	2/2

BOARD DIVERSITY POLICY

The Company has a Board Diversity Policy whereby it recognizes and embraces the benefits of a diversity of Board members. It endeavors to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge.

During the Year and as at the date of this report, the Board comprises seven Directors, three of which are female. The following tables further illustrate the diversity of the Board members as of the date of this report:

Name of Director	Age Group		Ethnicity
	50 to 59	60 or Above	Chinese
Mr. Chiang Chen Feng		✓	✓ (Taiwan)
Ms. Chang Hsiu Hua		✓	✓ (Taiwan)
Ms. Wang Jia	✓		✓
Ms. Lin Chien Ju	✓		✓ (Taiwan)
Mr. Cui Shi Wei		✓	✓
Mr. Lam Chun Choi	✓		✓ (Hong Kong Resident)
Mr. Chow Yiu Ming	✓		✓ (Hong Kong Resident)

Corporate Governance Report

Name of Director	Educational Background				Professional Experience		
	Business Management/ Business Administration	Law	Accountancy	Others	Property Agency	Law	Auditing and Finance
Mr. Chiang Chen Feng	✓				✓		
Ms. Chang Hsiu Hua			✓		✓		
Ms. Wang Jia				✓	✓		
Ms. Lin Chien Ju	✓				✓		
Mr. Cui Shi Wei		✓			✓	✓	
Mr. Lam Chun Choi		✓				✓	
Mr. Chow Yiu Ming			✓				✓

At present, the Nomination Committee considers that an appropriate balance of gender diversity of the Board is maintained for purposes of achieving the Group's business objectives. The Nomination Committee will monitor the Group's business needs and consider further appointment of female directors as appropriate. In order to build a pipeline of potential successors for the Board to increase gender diversity in the Board in the upcoming years, the Group will also proactively provide trainings to its senior management staff to create an inclusive workplace and may also work with human resources firms to identify potential successors for the Board.

GENDER RATIO OF THE WORKFORCE OF THE GROUP

Details of the gender ratio of the workforce of the Group can be found in the section titled "Environmental, Social and Governance Report" in this annual report.

Based on the existing composition of workforce, the Directors consider that the workforce has more or less gender parity and so no target in respect of gender ratio for the workforce has been set. The Board will periodically monitor the gender composition of the workforce, business needs and development plans of the Group and set gender recruitment targets if and as needed.

CORPORATE GOVERNANCE FUNCTIONS

During the year under review, the Board determined the policy for the corporate governance of the Company. The Board has performed the corporate governance duties including: (a) to develop and review the Company's policies and practices on corporate governance; (b) to review and monitor the training and continuous professional development of Directors and senior management; (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 directors; and (e) to review the Company's compliance with the CG Code and disclosure in this corporate governance report.

DIRECTORS' CONTINUING PROFESSIONAL DEVELOPMENT

During the year under review, the Directors are provided with monthly updates on the Company's performance and position to enable the Board as a whole and each Director to discharge their duties. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance by the Directors and to enhance the Directors' awareness of good corporate governance practices.

According to the records provided by the Directors, a summary of the trainings received by Directors during the year under review is as follows:

Name of Directors	Type of continuous professional development
Executive Directors	
Mr. Chiang Chen Feng (<i>Chairman</i>)	A
Ms. Chang Hsiu Hua	A
Mr. Han Lin (Resigned on 28 November 2025)	A
Ms. Wang Jia (Appointed on 28 November 2025)	A
Non-executive Director	
Ms. Lin Chien Ju	A
Independent non-executive Directors	
Mr. Cui Shi Wei	A
Mr. Lam Chun Choi	A, B
Mr. Chow Yiu Ming	A, B

Notes:

- A: attending briefing sessions and/or seminars relating to matters in financial, legal and corporate governance
- B: reading seminar materials and updates relating to the latest development of the Listing Rules and other applicable regulatory requirements

ACCOUNTABILITY AND AUDITOR'S REMUNERATION

The Board is responsible for preparing the accounts of the Company, which give a true and fair view of the financial position of the Group on a going concern basis. It is also responsible for presenting a balanced, clear and understandable assessment of the Group's annual and interim reports, other price-sensitive announcements and other financial disclosures as required under the Listing Rules. The management provides all relevant information and records to the Board which enables it to prepare the accounts and to make the above assessments.

Corporate Governance Report

For the year ended 31 December 2025, the remuneration payable/paid to Confucius International CPA Limited, the external auditor of the Company, is set out as follows:

Services rendered	Fees payable/ paid RMB'000
Audit services	400

DIRECTORS' AND AUDITOR'S ACKNOWLEDGEMENT

The Directors acknowledge their responsibility for preparing the accounts for the year under review.

The external auditor of the Company acknowledges its reporting responsibilities in the independent auditor's report on the consolidated financial statements for the year under review.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness, while the management and other personnel are responsible for implementing and maintaining the internal controls systems that covers governance, compliance, risk management, financial and operational controls to safeguard the Group's assets and stakeholders' interests. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute assurance against material misstatement or loss.

During the year under review, to identify, evaluate and manage significant risks, the risk management and internal control systems of the Group included the following main features:

- reviewing the organizational objectives;
- assessing the risk management philosophy to determine the risk tolerance level of the Group; and
- performing an entity-level risk assessment.

The Group adopted the standards set out in the Model Code and received confirmations from all Directors that they have complied with the Model Code throughout the year under review.

In relation to the procedures and internal controls of the Group for the handling and dissemination of inside information during the year under review, employees or Directors possessing such inside information should report the same to the Executive Director, who will in turn report to the Board. The Board will then discuss and handle the relevant disclosures or dissemination of inside information accordingly.

A. Risk Management and Internal Control Systems Review

To review the effectiveness of the risk management and internal control systems of the Group and to resolve (if any) material internal control defects of the Group for the year under review, the Company adopted a COSO ERM – Integrated Framework (2004) which is issued by the Committee of Sponsoring Organizations (“COSO”) of The Treadway Commission to perform the risk assessment (the “Review”) on the Group. The Review was designed to enhance the risk management of the Group through a holistic and integrated framework so that all material risks faced by the Group could be identified and appropriately managed. In addition, the Group aims to:

- (i) promote consistent risk identification, measurement, reporting and mitigation;
- (ii) set a common risk language to avoid any conflicting terminology or confusion in risk reporting;
- (iii) develop and communicate policies on risk management and controls aligned with the business strategy; and
- (iv) enhance reporting to provide transparency of risks across the Group.

During the Review, the Company conducted the following procedures:

- interviewing with department heads and management to identify the risks over the Company business units;
- quantifying the risks by financial data and market searches; and
- prioritizing the identified risks as high, medium and low risk.

The Company will perform the ongoing assessment to update the entity-level risk factors and report to the Board on a regular basis.

During the year under review, the Board has conducted its annual evaluation of the findings pursuant to the Review and also the effectiveness of the internal control system of the Group and is satisfied with its findings.

Corporate Governance Report

B. Group Risk Report

In 2025, the Company conducted an annual Group-wide review based on the Group's ERM Framework to assess the risks relevant to the existing businesses of the Group. The Group Risk Report for 2025 was compiled to cover: (i) the top risks of the Group; and (ii) associated action plans and controls designed to mitigate the top risks, where applicable, at appropriate levels.

C. Internal Audit Function

During the year under review, the Company had appointed an internal control advisor (the "IC Advisor") to perform internal audit function for the Group. Due to the Group's size, nature and complexity of the business, it would be more cost effective to appoint external independent professional to perform internal audit function to meet the Group's needs. The IC Advisor reported to the Audit Committee and to the Company's management. Based on the Company's risk assessment results, the IC Advisor recommended a three-year internal audit plan to the management which was endorsed by the Board and the Audit Committee. The IC Advisor conducted its internal audit review activities according to the endorsed internal audit plan during the year under review. The IC Advisor reported the internal audit findings and recommendations to both the Audit Committee and the management of the Group. The management of the Group agreed on the internal audit findings and adopted the recommendations by the IC Advisor accordingly.

The Board is of the view that, with the recommended improvements of the IC Advisor, the internal audit function of the Group is able to be carried out more effectively. The Directors will continue to engage external independent professionals to perform the Group's internal audit function and will continue to review the need for setting up an internal audit function.

D. Management's Confirmation on Risk Management

Based on the risk management mechanism and internal audit review activities mentioned in the aforementioned paragraphs, the management of the Group had provided a confirmation to the Board that the Group had maintained an effective and adequate risk management mechanism and internal control system during the year under review with which the Board concurred.

COMPANY SECRETARY

Mr. Lui Cheuk Wah has been appointed as company secretary of the Company since 13 April 2018. Mr. Lui has confirmed that for the year under review, he has taken no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Convening an Extraordinary General Meeting

Pursuant to article 64 of the Articles of Association, extraordinary general meetings of the Company may be convened on the requisition of one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Directors or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

Shareholders' Enquiries to the Board

To ensure effective communication between the Board and the Shareholders, the Company has adopted a shareholder's communication policy (the "Policy") on 28 March 2012. Under the Policy, the Company's information shall be communicated to the Shareholders mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by its corporate communication and corporate publications on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.fortune-sun.com).

Shareholders may at any time put enquiries to the Board. Any such questions shall be directed to the company secretary of the Company by the means set out below:

Address: Unit 80, 8th Floor, Woon Lee Commercial Building, 7-9 Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong
Hotline: (852) 2893 7866
Fax: (852) 2893 7177
Email: info@fortune-sun.com

The company secretary of the Company shall, where appropriate, forward the Shareholders' enquiries and concerns to the Board and/or relevant board committees of the Company for their proper attention.

The Board has reviewed the implementation and effectiveness of the various methods available for shareholders to receive information and express their views, and with reference to the shareholders' participation and feedback over the course of the year, the Board considered that the Shareholders' Communication Policy to be effective during the year.

Putting Forward Proposals at Shareholders' Meeting

(i) To propose a person for election as a Director

Pursuant to article 113 of the Articles of Association, a Shareholder of the Company who wishes to propose a person other than a Director for election as a Director at a general meeting (the "Proposal") should lodge, at least seven clear days before the date of the general meeting, at the head office of the Company, i.e. Units 901, 9th Floor, Orient Building, No. 1500 Century Avenue, Pudong New District, Shanghai 200122, the PRC, (i) a written notice setting out the Proposal; and (ii) a written notice signed by the person to be proposed of his willingness to be elected. The procedures for shareholders to propose a person for election as a director is available on the Company's website (www.fortune-sun.com).

(ii) Other proposals

If a Shareholder wishes to make other proposals at a general meeting, he may lodge a written request, duly signed, at the Company's principal place of business in Hong Kong at Unit 80, 8th Floor, Woon Lee Commercial Building, 7-9 Austin Avenue, Tsim Sha Tsui, Kowloon, Hong Kong marked for the attention of the company secretary of the Company.

INVESTOR RELATIONS AND COMMUNICATIONS WITH SHAREHOLDERS

The Company endeavours to enhance investor relations and communications by setting up meetings with the investment community where appropriate. The Company also endeavours to respond to requests for information and queries from the investment community through the attendance by the executive Directors and designated senior management. In all cases great care is taken to ensure that no inside information is disclosed inadvertently or selectively. The Board is committed to providing clear and full information of the Company to Shareholders through the Group's interim and annual reports, circulars, announcements, notices, and other corporate communications to Shareholders as and when appropriate.

The Company's annual general meeting provides a good opportunity for communications between the Board and its Shareholders. Shareholders are encouraged to attend the annual general meeting. Notice of the annual general meeting and related papers are sent to Shareholders in the manner prescribed under the Articles of Association and the Listing Rules and such notice is also published on the Stock Exchange's website (www.hkexnews.hk) and the Investor Relations Section of our Company's website (www.fortune-sun.com). The chairman of the meeting and the attending Directors will answer questions on the Company's business and operations at the annual general meeting. The external auditor of the Company will also attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and its independence.

Corporate Governance Report

The 2025 annual general meeting was held on 20 June 2025. The individual attendance record of the Directors at the said meeting is tabulated as follows:

Name of Directors	Attendance/ Number of meetings
Executive Directors	
Mr. Chiang Chen Feng (<i>Chairman</i>)	1/1
Ms. Chang Hsiu Hua	1/1
Mr. Han Lin (Resigned on 28 November 2025)	1/1
Ms. Wang Jia (Appointed on 28 November 2025)	N/A
Non-executive Director	
Ms. Lin Chien Ju	1/1
Independent non-executive Directors	
Mr. Cui Shi Wei	1/1
Mr. Lam Chun Choi	1/1
Mr. Chow Yiu Ming	1/1

Pursuant to article 72 of the Articles of Association and the Listing Rules, any vote of Shareholders at a general meeting of the Company must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Details of the procedures for conducting a poll will be explained during the proceedings of the general meeting.

Poll results will be published on both the Stock Exchange's website (www.hkexnews.hk) and the Investor Relations Section of our Company's website (www.fortune-sun.com) following any general meeting of the Company.

Independent Auditor's Report



天健國際會計師事務所有限公司
Confucius International CPA Limited

Certified Public Accountants

香港灣仔莊士敦道181號大有大廈15樓1501-08室
Rooms 1501-08, 15th Floor, Tai Yau Building,
181 Johnston Road, Wanchai, Hong Kong
電話 Tel: (852) 3103 6980
傳真 Fax: (852) 3104 0170
電郵 Email: info@pccpa.hk

TO THE MEMBERS OF FORTUNE SUN (CHINA) HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Fortune Sun (China) Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 110 to 174, 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 the material accounting policy information and other explanatory 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 (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) 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 judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessments of trade receivables</p> <p>Refer to note 22 to the consolidated financial statements</p> <p>The carrying amounts of trade receivables, amounted to RMB19,830,000, represented approximately 48% of the Group's total assets as at 31 December 2025 and were therefore significant to the consolidated financial statements. Provision is made for lifetime expected credit losses on trade receivables.</p> <p>Management applied judgement in assessing the expected credit losses. Trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are determined based on historical credit losses experienced from the past 3 years and are adjusted to reflect current and forward-looking information, such as macroeconomic factors affecting the ability of the customers to settle the receivables.</p> <p>Trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for loss allowance.</p> <p>The impairment assessment of trade receivables requires the application of judgements by management in determining their recoverability, having regard to the current creditworthiness and past collection history of the Group's customers.</p>	<p>Our procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> • Obtaining an understanding of and assessing the design and implementation of management's key internal controls relating to estimation of expected credit losses; • Assessing, on a sample basis, whether items in the trade debtors' ageing report were classified within the appropriate ageing bracket by comparing individual items in the report with underlying documentation; • Discussing with management about the recoverability of amounts that were past due at the reporting date; • Obtaining an understanding of the key parameters, inputs and assumptions of the expected credit loss model adopted by management, including historical default data and estimated loss rates; • Assessing the reasonableness of management's loss allowance estimates by examining the information used by management, including historical settlement patterns, default data, past due status and likely outcome of litigation against customers for overdue amounts, any post-year-end payments received up to the date of completing our audit procedures, current market conditions and forward-looking information; and • Re-performing the calculation of the loss allowance based on the Group's credit loss allowance policies. <p>We found that the management's impairment assessment was supportable by credible evidence.</p>

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment assessment of investment properties</p> <p>Refer to note 20 to the consolidated financial statements</p> <p>The carrying amounts of investment properties, amounted to RMB9,497,000, representing approximately 23% of the Group's total assets as at 31 December 2025 and the impairment assessment of investment properties involved the use of significant judgements and estimates. Accordingly, we have identified impairment assessment of investment properties as a key audit matter.</p> <p>The management has determined the recoverable amounts of investment properties based on the fair value from independent valuation. The valuation is dependent on key assumptions that require significant management judgement including comparisons with market price. The management has concluded that the recoverable amounts were higher than their carrying amounts and no impairment provision was recognised.</p>	<p>Our procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none">• Obtaining an understanding of and testing management's key internal controls over the impairment assessment of investment properties;• Evaluating the valuers' competence, capabilities and objectivity;• Assessing the methodologies used and the appropriateness of the key assumptions adopted;• Assessing the reasonableness of market price estimated by the external valuer based on the recent transaction prices; and• Discussing the valuations with the valuer and challenging key estimates adopted in the valuation, including those relating to market selling prices, by comparing them with available market data and taking into consideration comparability and other local market factors. <p>We found that the management's impairment assessment was supportable by credible evidence.</p>

OTHER INFORMATION

The directors of the Company ("Directors") are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include 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.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs 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 also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the Directors in discharging their responsibility in this regard.

Independent Auditor's Report

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with the terms of our engagement, 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 HKSAAs 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 HKSAAs, we exercise professional judgement 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.

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

- 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 activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, 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.

Confucius International CPA Limited
Certified Public Accountants

Chan Wai Nam, William
Practising Certificate number: P05957

Hong Kong
31 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	7	20,437	1,350
Cost of services rendered		(3,481)	(1,829)
Gross profit (loss)		16,956	(479)
Investment income and other gains and (losses), net	8	790	677
Operating and administrative expenses		(5,555)	(7,711)
Finance cost	9	(354)	(83)
Profit (loss) before tax		11,837	(7,596)
Income tax expense	11	–	–
Profit (loss) for the year attributable to owners of the Company	12	11,837	(7,596)
		RMB cents	RMB cents
Earnings (loss) per share	17		
– Basic		4.81	(3.09)
– Diluted		4.81	(3.09)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Profit (loss) for the year		11,837	(7,596)
Other comprehensive (expense) income:			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(178)	64
Other comprehensive (expense) income for the year, net of tax		(178)	64
Total comprehensive income (expense) for the year attributable to owners of the Company		11,659	(7,532)

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Property, plant and equipment	18	416	505
Right-of-use assets	19	1,317	1,756
Investment properties	20	9,497	9,743
		11,230	12,004
Current assets			
Trade receivables	22	19,830	1,412
Prepayments and other deposits		553	600
Other receivables		33	97
Financial assets at fair value through profit or loss	23	–	10,000
Bank balances and cash	24	10,039	3,489
		30,455	15,598
Current liabilities			
Accruals and other payables	25	6,935	4,000
Lease liabilities	26	468	434
		7,403	4,434
Net current assets		23,052	11,164
Total assets less current liabilities		34,282	23,168
Non-current liabilities			
Lease liabilities	26	995	1,463
Loan from a related company	32(b)	17,923	18,000
		18,918	19,463
Net assets		15,364	3,705

Consolidated Statement of Financial Position

As at 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Capital and reserves			
Share capital	29	24,394	24,394
Reserves		(9,030)	(20,689)
Total equity attributable to owners of the Company		15,364	3,705

The consolidated financial statements on pages 110 to 174 were approved and authorised for issue by the Board of Directors on 31 March 2026 and signed on its behalf by:

Chang Hsiu Hua
Director

Wang Jia
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company							
	Share capital	Share premium	Merger reserve	Reserve fund	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	RMB'000	RMB'000 (Note 30(b)(i))	RMB'000 (Note a)	RMB'000 (Note b)	RMB'000 (Note 30(b)(ii))	RMB'000 (Note 30(b)(iii))	RMB'000	RMB'000
At 1 January 2024	24,394	69,619	14,554	16,621	4,240	(1,938)	(116,253)	11,237
Total comprehensive expense for the year	-	-	-	-	-	64	(7,596)	(7,532)
At 31 December 2024	24,394	69,619	14,554	16,621	4,240	(1,874)	(123,849)	3,705
At 1 January 2025	24,394	69,619	14,554	16,621	4,240	(1,874)	(123,849)	3,705
Total comprehensive income for the year	-	-	-	-	-	(178)	11,837	11,659
Lapse of share options	-	-	-	-	(1,159)	-	1,159	-
At 31 December 2025	24,394	69,619	14,554	16,621	3,081	(2,052)	(110,853)	15,364

Notes:

- The merger reserve represents the difference between the nominal value of the share capital issued by the Company and the aggregate of share capital and share premium of Fortune Sun (China) Holdings Limited (Formerly known as Millstone Developments Limited) ("Millstone") acquired pursuant to the Group reorganisation in 2006.
- The reserve fund is set up by way of appropriation from the profit after tax in accordance with the relevant laws and regulations in the People's Republic of China (the "PRC"). The rate of appropriation to the reserve fund is subject to the decision of the board of directors of the PRC subsidiaries, but the minimum appropriation rate is 10% of the profit after tax for each year, until the accumulated balance reaches 50% of their registered capital. Pursuant to the relevant laws and regulations of the PRC, if approvals are obtained from the relevant government authorities, the reserve fund can be used in setting off accumulated losses or to increase the capital of the subsidiaries.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
OPERATING ACTIVITIES			
Profit (loss) before tax		11,837	(7,596)
Adjustments for:			
Interest income	8	(56)	(115)
Depreciation of property, plant and equipment	18	89	90
Depreciation of right-of-use assets	19	439	457
Depreciation of investment properties	20	246	246
Finance cost	9	354	83
Loss on disposal of property, plant and equipment, net		–	2
Gain on disposal of investment properties		–	(529)
Realised gain on financial assets at fair value through profit or loss		(19)	(25)
Gain on early termination of lease		–	(2)
(Reversal of allowance) allowance for expected credit loss on trade receivables		(496)	438
Operating gain (loss) before working capital changes		12,394	(6,951)
(Increase) decrease in trade receivables		(17,897)	193
Decrease in prepayments and other deposits		47	243
Decrease in other receivables		64	271
Increase (decrease) in accruals and other payables		2,645	(289)
Net cash used in operating activities		(2,747)	(6,533)
INVESTING ACTIVITIES			
Net proceeds from disposal of investment properties		–	894
Purchase of financial assets at fair value through profit or loss		–	(10,000)
Proceeds from disposal of financial assets at fair value through profit or loss		10,019	3,151
Interest received		56	115
Net cash flows generated from (used in) investing activities		10,075	(5,840)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
FINANCING ACTIVITIES			
Loan from a related company raised	34	8,982	10,900
Repayment of loan from a related company	34	(9,030)	(1,000)
Repayment of lease liabilities	34	(498)	(503)
Net cash (used in) generated from financing activities		(546)	9,397
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
		6,782	(2,976)
Effect of foreign exchange rate changes		(232)	81
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY			
		3,489	6,384
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER			
		10,039	3,489
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Represented by:			
Bank balances and cash	24	10,039	3,489

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Fortune Sun (China) Holdings Limited (the “Company”) was incorporated in the Cayman Islands on 28 January 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The address of its principal place of business in Hong Kong is Unit 80, 8/F, Woon Lee Commercial Building, 7–9 Austin Avenue, Tsim Sha Tsui, Hong Kong and its head office is located at Unit 901, 9th Floor, Orient Building, No. 1500 Century Avenue, Pudong New District, Shanghai, the People’s Republic of China (the “PRC”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 5 July 2006.

The Company is an investment holding company. The Group is principally engaged in property-related business, including the provision of property development, planning, consultancy and sales agency services (including property management services) for the property markets in the PRC.

In the opinion of the directors of the company (“Directors”), Active Star Investment Limited, a company incorporated in the British Virgin Islands (“BVI”), is the ultimate parent and Mr. Chiang Chen Feng and Ms. Chang Hsiu Hua are the ultimate controlling parties of the Company.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). HKFRSs comprise HKFRS Accounting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKAS”) and Interpretations. These consolidated financial statements also comply with the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. CHANGES IN NEW ACCOUNTING POLICES EFFECTIVE DURING THE YEAR

(a) Amendments to an HKFRS that became effective on 1 January 2025

The HKICPA has issued the following amendments to an HKFRS that became effective for the current accounting period of the Group:

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

The application of these amendments to an HKFRS in the current year 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.

(b) New and amendments to HKFRSs that have been issued but are not yet effective

The following new and amendments to HKFRSs have been issued but are not yet effective and have not been early applied by the Group. The Group's current intention is to apply these changes on the date they become effective.

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7 HKFRS 18 HKFRSs Amendments	Contracts Referencing Nature-dependent Electricity ² Presentation and Disclosure in Financial Statements ³ Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³

¹ Effective date to be determined.

² Effective for annual periods beginning on or after 1 January 2026.

³ Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS mentioned below, the Directors anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. CHANGES IN NEW ACCOUNTING POLICES EFFECTIVE DURING THE YEAR *(Continued)*

(b) New and amendments to HKFRSs that have been issued but are not yet effective *(Continued)*

HKFRS 18 “Presentation and Disclosure in Financial Statements”

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 “Presentation of Financial Statements”. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” (the title of which will be changed to “Basis of Preparation of Financial Statements” upon effective of HKFRS 18) and HKFRS 7 “Financial Instruments Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and consequential amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group’s consolidated financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared under the historical cost convention unless mentioned otherwise in the accounting policies below.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5 to the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(a) 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 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. 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.

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 and any accumulated foreign currency translation reserve relating to that subsidiary.

Intra-group transactions, balances, cash flows 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.

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

In the Company's statement of financial position, the investment in subsidiaries are stated at cost less impairment loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(b) 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 Renminbi ("RMB"), which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group. The functional currency of the Company is Hong Kong dollars ("HKD"). The Directors consider that choosing RMB as the presentation currency best suits the needs of the shareholders and investors.

(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 value 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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(b) Foreign currency translation *(Continued)*

(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 for the period (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 other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to profit or loss as part of the gain or loss on disposal.

(c) Property, plant and equipment

Property, plant and equipment, held for supply of services, or for administrative purposes, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 profit or loss during the period in which they are incurred.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(c) Property, plant and equipment *(Continued)*

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

Furniture and fixtures	3 to 5 years
Computers	3 to 5 years
Computer software	10 years
Leasehold improvements	Over their expected useful lives, or over the unexpired period of the lease, if shorter
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 profit or loss.

(d) 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 cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight-line method to allocate the cost over its estimated useful life of 35 to 40 years or the lease term, if shorter.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. 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 profit or loss in the period in which the property is derecognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Leases

Definition of a lease

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

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 Leases at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

The Group as a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to leases of properties that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis or another systematic basis over the lease term.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Leases *(Continued)*

The Group as a lessee *(Continued)*

Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Refundable rental deposits

Refundable rental deposits paid are accounted for under HKFRS 9 Financial Instruments (“HKFRS 9”) and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities (Continued)

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising an option to terminate the lease.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review or a change in expected payment under a residual value guarantee, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease modifications

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the leases increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group accounts for the remeasurement of lease liabilities and lease incentives from lessor by making corresponding adjustments to the relevant right-of-use asset. When the modified contract contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the modified contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease. Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income is recognised in accordance with note 4(i)(iii) to the consolidated financial statements.

Allocation of consideration of a contract

When a contract contains lease and non-lease components, the Group applies HKFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract to each component on a relative stand-alone selling price basis.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Leases *(Continued)*

The Group as a lessor *(Continued)*

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modification, including lease incentives provided through forgiveness or reduction of rentals.

The Group accounts for a modification to an operating lease as a new lease from the effective date of modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

(f) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that is required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets *(Continued)*

Classification and subsequent measurement of financial assets (Continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “investment income and other gains and (losses), net” line item.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables), which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions. The Group has elected to measure loss allowance for trade receivables using the HKFRS 9 simplified approach and recognised lifetime ECL for trade receivables. For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(i) Significant increase in credit risk *(Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of an identifying significant increase in credit risk before the amount becomes past due.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise considered; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty 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. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets subject to impairment assessment under HKFRS 9 (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix, taking into consideration historical credit loss experience and forward-looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Lifetime ECL for certain trade receivables are considered on a collective basis, taking into consideration past due information and relevant credit information, such as forward-looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

For trade receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Financial instruments *(Continued)*

Financial assets *(Continued)*

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities

Financial liabilities at amortised cost, including accruals and other payables, lease liabilities and loan from a related company, are initially recognised at fair value, net of directly attributable transaction costs incurred and are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

(g) Cash and cash equivalents

For the purpose of the 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.

(h) Borrowing costs

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

(i) Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Revenue recognition *(Continued)*

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or services may be transferred over time or at a point in time. Control of the goods or services is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- 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.

If control of the goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

(i) Property development, planning, consultancy and sales agency service projects

The Group recognises revenue from property development, planning, consultancy and sales agency service projects either at a point in time or over time, depending on the nature of the performance obligations in the contracts.

Revenue is recognised at a point in time when the service is rendered, the property buyer has executed the sales and purchase agreement and has made the required down payment in accordance with the terms and conditions stated in the agency agreements. These arrangements generally contain only one performance obligation.

Revenue from certain projects, including development management and consultancy services, is recognised over time over the period of the contracts, with reference to the progress towards complete satisfaction of the relevant performance obligation. The progress is measured based on the completion of specific stages or milestones as stipulated in the respective contracts, which commonly include, but are not limited to, the following:

- (a) completion of a property development consultancy report, including a land search report, investment return analysis, feasibility study and/or advice on project planning and design;
- (b) completion of a marketing planning report, including advice on the market positioning of the relevant properties and/or representing the customer in project negotiations; and
- (c) completion of a promotion planning report, including sales strategies, suggested selling prices and sales promotion plans for the relevant properties.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Revenue recognition *(Continued)*

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Rental income

Rental income under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(j) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognised as expenses the related costs for which the grants are intended to compensate.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income”.

(k) Employee benefits

(a) Retirement benefits costs

The Group contributes to a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Scheme Ordinance for all employees in Hong Kong. Contributions are made based on a percentage of the employees’ relevant income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed in the MPF Scheme. Under the MPF Scheme, the employer and its employees are each required to make contribution to the MPF Scheme at 5% of the employees’ relevant income subject to a cap of monthly relevant income of HK\$30,000. Contributions to the MPF Scheme vest immediately.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(k) Employee benefits *(Continued)*

(a) Retirement benefits costs *(Continued)*

The employees of the Company's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme. The Group's employer contributions vest fully with the employees when contributed in the central pension scheme. The Group has no forfeiture of pension scheme contributions (i.e. contributions processed by the employer on behalf of the employee who has exited the scheme prior to vesting of such contributions). As at 31 December 2025, no forfeited contribution under the pension scheme of the Group is available for deduction of contribution payable in coming years.

(b) Long service payments

The Group's net obligation in respect of long service payments to its employees upon termination of their employment or retirement when the employees fulfil certain circumstances under the Hong Kong Employment Ordinance is the amount of future benefit that employees have earned in return for their service in the current and prior periods.

(c) Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

(l) Share-based payments

The Group incurs equity-settled share-based payments expenses for options to subscribe the Company's shares issued to certain directors and employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(m) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit or adjusted loss differs from profit or loss before tax recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and 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.

Deferred tax is recognised on 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 and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from goodwill or from the initial recognition (other than in a business combination) of other 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 taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

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 assets 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 profit or loss, except when it relates to items recognised in other comprehensive income or directly to 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 leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

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.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(n) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

(o) 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.

(p) 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 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.

4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(q) Related parties

- (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 Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group 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 the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. 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:

(a) Useful lives of property, plant and equipment and investment properties

The Group determines the estimated useful lives and related depreciation charges for the Group's property, plant and equipment and investment properties. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment and investment properties of similar nature and functions. The Group will revise the depreciation charge when useful lives are different to those previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment and investment properties as at 31 December 2025 were approximately RMB416,000 and RMB9,497,000 respectively (2024: RMB505,000 and RMB9,743,000 respectively).

(b) Allowance for ECL on trade receivables

The Group makes allowance for ECL on trade receivables based on assumptions about risk of default and expected loss rates (note 6(b) to the consolidated financial statements). The Group uses 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 a reporting period.

As at 31 December 2025, accumulated allowance for ECL on trade receivables amounted to approximately RMB4,527,000 (2024: RMB5,048,000).

(c) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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 limited exposure to foreign currency risk as most of its business transactions, assets and liabilities, except for bank and cash balances denominated in the United States Dollars ("USD"), are principally denominated in the functional currency of the Group entities. 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.

At 31 December 2025, if RMB had weakened or strengthened by 5% (2024: 5%) against USD, with all other variables held constant, the consolidated profit after tax for the year would have been approximately RMB35,000 lower or higher (2024: loss after tax would have been approximately RMB15,000 lower or higher), arising mainly as a result of the foreign exchange difference on bank and cash balances denominated in USD.

(b) Credit risk and impairment assessment

The Group's credit risk is primarily attributable to its trade receivables. The average credit period granted to customers for trade receivables is 90 days. 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 to ensure that follow-up actions are taken to recover overdue debts on a regular basis. In addition, the Directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

The Group has significant concentration of credit risk in respect of its trade receivables. As at the end of the reporting period, the Group's largest customer accounted for approximately 98% (2024: 48%) and the five largest customers in aggregate accounted for approximately 100% (2024: 97%) of the trade receivables. This exposure arises primarily from the Group's reliance on a limited number of major customers in both years.

Notwithstanding the above concentration of credit risk, the Group has continued to apply the credit risk minimisation measures described above. As a result, the Directors consider that the Group's credit risk exposure has been effectively reduced.

Trade receivables and other financial assets at amortised cost are subject to the expected credit loss model.

Trade receivables

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group measures expected credit losses on a combination of both individual and collective basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Trade receivables *(Continued)*

Measurement of expected credit loss

Receivables relating to customers with known financial difficulties or significant doubt on collection are assessed individually for the provision for an impairment allowance.

Expected credit losses are estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for the likelihood of recovery, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the receivables.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025:

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Provision on individual basis	100.0	4,176	4,176
Provision on collective basis			
Current (not past due)	1.6	20,038	319
Up to 3 months past due	10.2	75	8
3 to 9 months past due	23.2	47	11
10 to 21 months past due	61.2	21	13
		24,357	4,527

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2024:

	Expected loss rate %	Gross carrying amount RMB'000	Loss allowance RMB'000
Provision on individual basis	82.0	6,149	5,043
Provision on collective basis			
Current (not past due)	1.3	282	3
Up to 3 months past due	2.5	10	1
3 to 9 months past due	6.2	19	1
		6,460	5,048

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(b) Credit risk and impairment assessment *(Continued)*

Trade receivables *(Continued)*

Measurement of expected credit loss (Continued)

Expected loss rates are based on historical pattern from the past 3 years, time value of money where appropriate and forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle the trade receivables. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in note 22 to the consolidated financial statements.

Other financial assets

Measurement of expected credit loss

Loss allowance for other financial assets at amortised cost, which mainly comprise of other receivables, are measured on a 12-month ECL basis. As at 31 December 2025, the balance of loss allowance in respect of other financial assets at amortised cost was Nil (2024: Nil).

The credit risk on bank and cash balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Liquidity risk

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

The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Weighted average interest rate %	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
Year ended 31 December 2025						
Non-derivative financial liabilities						
Accruals and other payables	–	6,935	–	–	6,935	6,935
Lease liabilities	4.55	511	511	511	1,533	1,463
Loan from a related company	2.50	448	18,371	–	18,819	17,923
		7,894	18,882	511	27,287	26,321

	Weighted average interest rate %	Within 1 year or on demand RMB'000	More than 1 year but less than 2 years RMB'000	More than 2 years but less than 5 years RMB'000	Total undiscounted cash flows RMB'000	Total carrying amount RMB'000
Year ended 31 December 2024						
Non-derivative financial liabilities						
Accruals and other payables	–	4,000	–	–	4,000	4,000
Lease liabilities	4.55	498	511	1,023	2,032	1,897
Loan from a related company	2.50	450	450	18,450	19,350	18,000
		4,948	961	19,473	25,382	23,897

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(d) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to lease liabilities. The Group's exposure to cash flow interest rate risk arises from its bank balances. Bank balances bear interest at variable rates which vary with the prevailing market condition. The management is of opinion that the Group's exposure to interest rate risk is minimal since fluctuation of interest rates of lease liabilities, and bank balances is expected to be insignificant. Accordingly, no interest rate risk sensitivity is presented.

(e) Categories of financial instruments

	2025 RMB'000	2024 RMB'000
Financial assets:		
Financial assets at FVTPL	–	10,000
Financial assets at amortised cost (including bank balances and cash)	30,428	5,531
	30,428	15,531
Financial liabilities:		
Financial liabilities at amortised cost	26,321	23,897

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. FINANCIAL RISK MANAGEMENT *(Continued)*

(f) Fair values measurements of financial instruments

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1: 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: Fair value measured using Level 2 inputs i.e. other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly or indirectly.
- Level 3: Fair value measured using significant unobservable inputs.

	Fair value at	Fair value measurements as at			Fair value at	Fair value measurements as at		
	31 December	31 December 2025			31 December	31 December 2024		
	2025	Level 1	Level 2	Level 3	2024	Level 1	Level 2	Level 3
Financial assets at FVTPL								
– unlisted wealth management products	-	-	-	-	10,000	-	10,000	-

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The fair value of unlisted wealth management product was determined by quoted prices provided by the issue bank of the product in PRC.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. REVENUE

An analysis of the Group's revenue for the year and disaggregation of revenue from contracts with customers is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15		
Primary geographical markets: PRC		
Property development, planning, consultancy and sales agency service projects, recognised:		
– at a point in time	437	623
– over time	20,000	727
	20,437	1,350

Details of the Group's performance obligations for revenue from contracts with customers resulting from application of HKFRS 15 are set out in note 4(i) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. INVESTMENT INCOME AND OTHER GAINS AND (LOSSES), NET

	2025 RMB'000	2024 RMB'000
Interest income on bank deposits	56	115
Loss on disposal of property, plant and equipment	–	(2)
Gain on disposal of investment properties	–	529
Gain on early termination of lease	–	2
Net exchange gain (loss)	25	(17)
Reversal of allowance (allowance) for ECL on trade receivables, net	496	(438)
Realised gain on disposal of financial assets at fair value through profit or loss	19	25
Government grants (Note a)	–	18
Recovery of judgement sum (Note b)	27	–
Sundry income	1	49
	624	281
Gross rental income from investment properties	166	396
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	–	–
Direct operating expenses incurred for investment properties that did not generate rental income during the year	–	–
	166	396
Net rental income	790	677

Notes:

- (a) During the current year, the Group recognised government grants of RMBNil (2024: RMB18,000) directly provided by the PRC government.
- (b) During the year ended 31 December 2025, the Group had recovered judgement sum as result of the court judgement against vendors, former customers of the Group.

9. FINANCE COST

	2025 RMB'000	2024 RMB'000
Interest on:		
– lease liabilities	64	83
– loan from a related company	290	–
	354	83

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. SEGMENT INFORMATION

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

The Group operates a single business segment which is engaged in property related business, including the provision of property development, planning, consultancy and sales agency services (including property management services) for the property market in the PRC, and the assets, including investment properties, are substantially located in the PRC. An insignificant portion of the assets is located in another country. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

Revenue from major customers

Revenue from customers of the corresponding years who contributed over 10% of total revenue of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Customer A	20,000	–
Customer B	N/A*	727
Customer C	N/A*	278
Customer D	N/A*	243

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

Saved as disclosed above, no other single customer contributed 10% or more to the Group's revenue.

11. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax is made since the Company had no assessable profit for both years.

No PRC Enterprise Income Tax has been made in the current year as the taxable profit of the relevant group entities was fully absorbed by the tax losses brought forward.

No PRC Enterprise Income Tax has been made in the last year as the relevant group entities had no assessable profits for the last year. The applicable PRC Enterprise Income Tax is 25% (2024: 25%).

No provision for tax on profit is required for the subsidiary in Cambodia as the subsidiary had no assessable profits for both years. The applicable tax rate in Cambodia is 20% (2024: 20%).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. INCOME TAX EXPENSE *(Continued)*

The reconciliation between the income tax expense and the profit (loss) before tax for the year multiplied by the PRC enterprise income tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Profit (loss) before tax	11,837	(7,596)
Tax at the domestic income tax rate of 25% (2024: 25%)	2,959	(1,899)
Tax effect of income that is not taxable for tax purposes	(223)	(97)
Tax effect of expenses that are not deductible for tax purposes	40	770
Tax effect of tax losses not recognised	346	1,056
Utilisation of tax losses previously not recognised	(3,296)	–
Tax effect of different tax rates in other tax jurisdictions	174	170
Income tax expense	–	–

12. PROFIT (LOSS) FOR THE YEAR

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

	2025 RMB'000	2024 RMB'000
Auditor's remuneration	400	320
Depreciation of property, plant and equipment	89	90
Depreciation of investment properties	246	246
Depreciation of right-of-use assets	439	457
Loss on disposal of property, plant and equipment	–	2
Net exchange (gain) loss	(25)	17
(Reversal of allowance) allowance for ECL on trade receivables, net	(496)	438
Gross rental income from investment properties	(166)	(396)
Less: Direct operating expenses incurred for investment properties that generated rental income during the year	–	–
Direct operating expenses incurred for investment properties that did not generate rental income during the year	–	–
Net rental income	(166)	(396)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. EMPLOYEE BENEFITS EXPENSE

	2025 RMB'000	2024 RMB'000
Employee benefits expense:		
Salaries, bonuses and allowances	5,600	4,148
Retirement benefits scheme contributions	367	770
	5,967	4,918

The five highest paid individuals in the Group during the year included no (2024: three) directors whose emoluments are reflected in the analysis presented in note 14 to the consolidated financial statements. The emoluments of the remaining individuals are set out below:

	2025 RMB'000	2024 RMB'000
Fees, salaries and allowances	1,482	917
Retirement benefit scheme contributions	17	73
	1,499	990

The emoluments fell within the following band:

	Number of individuals	
	2025	2024
HK\$Nil to HK\$1,000,000 (equivalent to RMBNil to RMB915,000) (2024: equivalent to RMBNil to RMB912,000)	5	2

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

Directors' remuneration is set out below:

	Emoluments paid or payable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking				
	Fees RMB'000	Salaries and allowances RMB'000	Retirement benefit scheme contributions RMB'000	Share- based payments RMB'000	Total RMB'000
Executive directors					
Mr. Chiang Chen Feng	–	120	–	–	120
Ms. Chang Hsiu Hua	–	96	–	–	96
Mr. Han Lin (Resigned on 28 November 2025)	–	55	30	–	85
Ms. Wang Jia (Appointed on 28 November 2025)	–	96	–	–	96
Non-executive director					
Ms. Lin Chien Ju	–	45	–	–	45
Independent non-executive directors					
Mr. Cui Shi Wei	122	–	–	–	122
Mr. Lam Chun Choi	132	–	–	–	132
Mr. Chow Yiu Ming	121	–	–	–	121
Total for 2025	375	412	30	–	817
Executive directors					
Mr. Chiang Chen Feng	–	282	–	–	282
Ms. Chang Hsiu Hua	–	254	–	–	254
Mr. Han Lin (Resigned on 28 November 2025)	–	143	50	–	193
Non-executive director					
Ms. Lin Chien Ju	–	119	–	–	119
Independent non-executive directors					
Mr. Cui Shi Wei	121	–	–	–	121
Mr. Lam Chun Choi	131	–	–	–	131
Mr. Chow Yiu Ming	121	–	–	–	121
Total for 2024	373	798	50	–	1,221

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. BENEFITS AND INTERESTS OF DIRECTORS *(Continued)*

(a) Directors' emoluments *(Continued)*

There was no arrangement under which a director waived or agreed to waive any emoluments during the year (2024: Nil).

The remuneration of the Directors by band for the years ended 31 December 2025 and 2024 is set out below:

	Number of individuals	
	2025	2024
HK\$Nil to HK\$1,000,000 (equivalent to RMBNil to RMB915,000) (2024: equivalent to RMBNil to RMB912,000)	3	3

During the year, no emoluments were paid by the Group to any of the Directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office as a director or any other office in connection with the management of affairs of any member of the Group.

Certain Directors were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 32 to the consolidated financial statements.

(b) Loans, quasi-loans and other dealings in favour of Directors

No loans, quasi-loans and other dealing arrangements in favour of the Directors or entities controlled by or connected with such Directors, subsisted at the end of the year or at any time during the year (2024: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

Apart from the transactions as disclosed in note 32(a) and (b) to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. RETIREMENT BENEFIT SCHEMES

The Group operates a mandatory provident fund scheme (the “MPF Scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group’s contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group’s subsidiaries established in the PRC are members of a central pension scheme (the “PRC Pension Scheme”) operated by the local municipal government. Each subsidiary is required to contribute certain percentage of the employees’ basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of this subsidiary. The only obligation of the subsidiaries with respect to the central pension scheme is to meet the required contributions under the scheme.

During the years ended 31 December 2025 and 2024, there were no contributions forfeited by the Group on behalf of its employees who leave the plan prior to vesting fully in such contribution to MPF Scheme and PRC Pension Scheme, nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2025 and 2024, no forfeited contributions were available for utilization by the Group to reduce the existing level of contributions.

16. DIVIDEND

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

17. EARNINGS (LOSS) PER SHARE

(a) Basic earnings (loss) per share

The calculation of basic earnings (loss) per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately RMB11,837,000 (2024: loss of RMB7,596,000) and the number of ordinary shares of 246,183,390 (2024: 246,183,390) in issue during the year.

(b) Diluted earnings (loss) per share

The computation of diluted earnings (loss) per share does not assume the exercise of the Company’s outstanding share options since the exercise price of the share options was higher than the average market price for shares for the years ended 31 December 2025 and 2024. Therefore, diluted earnings (loss) per share is the same as the basic earnings (loss) per share for the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures RMB'000	Computers RMB'000	Motor vehicles RMB'000	Computer software RMB'000	Total RMB'000
Cost					
At 1 January 2024	467	672	505	770	2,414
Disposals	–	(42)	–	–	(42)
At 31 December 2024, 1 January 2025 and 31 December 2025	467	630	505	770	2,372
Accumulated depreciation and impairment					
At 1 January 2024	438	599	318	462	1,817
Charge for the year	–	16	–	74	90
Eliminated upon disposals	–	(40)	–	–	(40)
At 31 December 2024 and 1 January 2025	438	575	318	536	1,867
Charge for the year	2	10	–	77	89
At 31 December 2025	440	585	318	613	1,956
Carrying amount					
At 31 December 2025	27	45	187	157	416
At 31 December 2024	29	55	187	234	505

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. RIGHT-OF-USE ASSETS

	Leased properties	
	RMB'000	
At 1 January 2024		2,250
Early termination of lease		(37)
Depreciation charge for the year		(457)
		<hr/>
At 31 December 2024 and 1 January 2025		1,756
Depreciation charge for the year		(439)
		<hr/>
At 31 December 2025		<u>1,317</u>

	2025	2024
	RMB'000	RMB'000
Expense relating to short-term leases	77	346
		<hr/>
Total cash outflow for leases	575	849
		<hr/>

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. INVESTMENT PROPERTIES

	Land RMB'000	Buildings RMB'000	Total RMB'000
Cost			
At 1 January 2024	7,183	4,264	11,447
Disposal	(280)	(257)	(537)
<hr/>			
At 31 December 2024, 1 January 2025 and 31 December 2025	6,903	4,007	10,910
<hr/>			
Accumulated depreciation and impairment			
At 1 January 2024	777	316	1,093
Charge for the year	156	90	246
Written back upon disposal	(156)	(16)	(172)
<hr/>			
At 31 December 2024 and 1 January 2025	777	390	1,167
Charge for the year	156	90	246
<hr/>			
At 31 December 2025	933	480	1,413
<hr/>			
Carrying amount			
At 31 December 2025	5,970	3,527	9,497
<hr/>			
At 31 December 2024	6,126	3,617	9,743
<hr/>			

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. INVESTMENT PROPERTIES *(Continued)*

- (a) The Group's investment properties are located in the PRC and their carrying amounts are analysed as follows:

	2025	2024
	RMB'000	RMB'000
Long-term leases	110	114
Medium-term leases	9,387	9,629
	9,497	9,743

- (b) Investment properties with carrying value of RMB365,000 were disposed of during the year ended 31 December 2024, resulting in a gain on disposal of RMB529,000.

(c) Valuation processes of the Group

The Group obtained independent valuation from Ravia Global Appraisal Advisory Limited, a member of the Hong Kong Institute of Surveyors, for its investment properties at least annually. For all investment properties, their current use equates to the highest and best use. Ravia Global Appraisal Advisory Limited is of the opinion that the fair values of Group's investment properties would be approximately RMB13,272,000 as at 31 December 2025 (2024: approximately RMB14,834,000).

The Group's management is responsible for the fair value measurement of investment properties required for financial reporting purpose. At each financial year-end the management assesses property valuation movement when compared to the prior year valuation report and holds discussion with the independent valuer on the valuation methodology.

(d) Valuation techniques

Fair values of investment properties are generally derived at using the direct comparison method. This valuation method is based on the price information of comparable properties. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market values. There were no changes in the valuation techniques used for both the years ended 31 December 2025 and 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. INVESTMENT PROPERTIES *(Continued)*

(e) Significant inputs used to determine fair value

As at 31 December 2025, the key assumptions adopted in the valuation in determining fair value were in the following ranges for the Group's portfolio of properties:

Significant observable inputs	Range	Effect on fair value for increase of inputs	Fair value	
			2025	2024
Price per square metre	RMB4,000 to RMB9,000 (2024: RMB4,000 to RMB10,000)	Increase (2024: increase)	RMB13,272,000	RMB14,834,000

(f) Leasing arrangements

The Group leases out investment properties under operating leases. The leases typically run for an initial period of 1 to 2 years, with an option to renew the lease upon expiry at which time all terms are renegotiated. None of the leases included variable lease payments.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 RMB'000	2024 RMB'000
Within 1 year	174	392
After 1 year but within 5 years	91	271
	265	663

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

21. INVESTMENTS IN SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name	Place of incorporation and date of incorporation/ place of operation	Issued/registered capital	Proportion of nominal value of issued share capital/registered capital held by the Company		Principal activities
			2025	2024	
Indirectly held:					
Shanghai Fu Yang Property Consultant Co., Ltd. ("Shanghai Fortune Sun") (note a)	PRC, 11 April 1997/ PRC	US\$7,600,000 registered capital	100%	100%	Property consultancy and agency services providing for the primary property market in the PRC
Cornerstone Business Management Co., Ltd (formerly known as "Cornerstone Investment Management & Consultancy Co., Limited") ("Cornerstone") (note b)	PRC, 26 September 2005/PRC	US\$200,000 registered capital	–	100%	Provision of property consultancy, agency services and fund management in the PRC

Notes:

- (a) Shanghai Fortune Sun is a wholly-owned foreign enterprise established under the PRC law.
- (b) Cornerstone is a sino-foreign equity joint venture established under the PRC law.

The above table lists subsidiaries of the Group which, in the opinion of the Directors, principally affected the results or assets of the Group.

None of the subsidiaries had issued any debt securities at the end of the reporting period or at any time during both years.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. TRADE RECEIVABLES

	2025	2024
	RMB'000	RMB'000
Trade receivables	24,357	6,460
Less: Allowance for ECL	(4,527)	(5,048)
	19,830	1,412

As at 1 January 2024, trade receivables from contracts with customers amounted to RMB2,060,000.

The average credit period granted to customers is 90 days. The Group seeks to maintain strict control over its outstanding receivables. Allowance for ECL is made after the management have considered the timing and probability of the collection on a regular basis.

The ageing analysis of the Group's trade receivables, based on the billing date, and net of allowance for ECL is as follows:

	2025	2024
	RMB'000	RMB'000
0 to 90 days	19,719	279
91 to 180 days	67	9
181 to 365 days	36	18
1 to 2 years	8	680
Over 2 years	–	426
	19,830	1,412

Reconciliation of allowance for ECL:

	2025	2024
	RMB'000	RMB'000
At 1 January	5,048	4,593
(Reversal of allowance) allowance for ECL for the year	(496)	438
Exchange differences	(25)	17
At 31 December	4,527	5,048

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. TRADE RECEIVABLES *(Continued)*

At the end of the reporting period, the Group reviewed trade receivables for evidence of impairment on both individual and collective basis. Allowance for ECL recognised for 2025 and 2024 on trade receivables from customers which are mainly experiencing financial difficulties and are in default or delinquency of payments are reviewed and impaired on an individual basis.

All the Group's trade receivables are denominated in RMB.

As at 31 December 2025, trade receivables of approximately RMB111,000 (2024: RMB1,133,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2025	2024
	RMB'000	RMB'000
Past due but not impaired:		
Within 3 months	67	9
3 to 9 months	36	18
9 to 21 months	8	680
More than 21 months	–	426
	111	1,133

Trade receivables that were past due but not impaired related to a number of customers having a good track record. Based on past experience, the management believes that no further impairment allowance is necessary in respect of these balances as there has been no significant change in credit quality and the balances are still considered fully recoverable.

As of the date of this report, the vast majority of gross trade receivables aged 0 to 90 days as of 31 December 2025, amounting to RMB20,000,000, have been fully settled.

23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025	2024
	RMB'000	RMB'000
Investment in unlisted wealth management products	–	10,000

As at 31 December 2024, the wealth management products were issued by banks in the PRC. The products are redeemable on demand and the investment principles are not protected. The returns of the products are determined by the performance of the underlying investments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

24. FIXED BANK DEPOSITS AND BANK AND CASH BALANCES

The carrying amounts of the Group's fixed bank deposits and bank and cash balances are denominated in the following currencies:

	2025	2024
	RMB'000	RMB'000
RMB	6,270	323
USD	1,229	298
HKD	2,540	2,868
	10,039	3,489

As at 31 December 2025, the fixed bank deposits and bank and cash balances of the Group's subsidiaries located in the PRC denominated in RMB amounted to approximately RMB6,270,000 (2024: RMB323,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

25. ACCRUALS AND OTHER PAYABLES

	2025	2024
	RMB'000	RMB'000
Housing payments received on behalf of a property developer	404	412
VAT payables	556	606
Commission payables	310	570
Accrued salaries	3,074	186
Union fee payables	954	953
Interest payables for loan from a related company (note 32(b))	290	–
Others	1,347	1,273
	6,935	4,000

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. LEASE LIABILITIES

	2025	2024
	RMB'000	RMB'000
Lease liabilities payable:		
Within one year	468	434
Within a period of more than one year but not more than two years	489	468
More than two years but within five years	506	995
	1,463	1,897
Less: Amount due for settlement with 12 months shown under current liabilities	(468)	(434)
Amount due for settlement after 12 months shown under non-current liabilities	995	1,463

The weighted average incremental borrowing rates applied to lease liabilities at 4.55% (2024: 4.55%).

27. DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the Group.

	Temporary difference on revenue recognition RMB'000	Temporary difference on expense recognition RMB'000	Tax losses RMB'000	Total RMB'000
At 1 January 2024	638	(165)	(473)	–
Charge (credit) to profit or loss	(162)	(255)	417	–
As 31 December 2024 and 1 January 2025	476	(420)	(56)	–
Charge (credit) to profit or loss	(476)	420	56	–
At 31 December 2025	–	–	–	–

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. DEFERRED TAXATION *(Continued)*

The following is the analysis of the deferred tax balances (after offset) for the purpose of presentation in the consolidated statement of financial position purposes:

	2025	2024
	RMB'000	RMB'000
Deferred tax liabilities	–	476
Deferred tax assets	–	(476)
	–	–

At the end of the reporting period the Group had unused tax losses of approximately RMB13,430,000 (2024: RMB27,626,000) available for offset against future profits. A deferred tax asset has been recognised in respect of RMBNil (2024: RMB224,000) of such losses. No deferred tax asset has been recognised in respect of the remaining RMB13,430,000 (2024: RMB27,402,000) due to the unpredictability of future profit streams.

As at 31 December 2025 and 31 December 2024, the Group's unused tax losses will expire in the following years:

	2025	2024
	RMB'000	RMB'000
In 2030	–	–
In 2029	4,223	4,239
In 2028	594	3,753
In 2027	–	10,784
In 2026	–	–
In 2025	–	42
Indefinite	8,613	8,808
	13,430	27,626

Included in the unused tax losses, an amount of approximately RMB4,817,000 (2024: RMB18,818,000), will expire between 2026 to 2030 (2024: 2025 to 2029). Other unused tax losses may be carried forward indefinitely.

Under the Enterprise Income Tax Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. As the PRC subsidiaries have no distributable profits since 2008, no deferred taxation has been provided for in the consolidated income statement in respect of temporary differences attributable to undistributed earnings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

28. SHARE CAPITAL

	Number of	Nominal value	
	Ordinary shares	HK\$'000	RMB'000
	'000		
Authorised:			
Ordinary shares of HK\$0.1 each			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	2,000,000	200,000	206,000
Issued and fully paid:			
Ordinary shares of HK\$0.1 each			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	246,183	24,618	24,394

Capital risk management

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 the shareholders through the optimisation of the debts and equity balance.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buy back shares, raise new debts, redeem existing debts or sell assets to reduce debts. No changes had been made in the objectives, policies and processes during the years ended 31 December 2025 and 2024.

The only externally imposed capital requirement for the Group is that in order to maintain its listing status on the Stock Exchange, the Company has to have a public float of at least 25% of its issued shares.

The Group receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2025, 43.3% (2024: 43.3%) of the shares were in public hands.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2025 RMB'000	2024 RMB'000
Non-current assets			
Investments in subsidiaries	21	103	103
		103	103
Current assets			
Prepayments and deposits		38	39
Other receivables		3	1
Amounts due from subsidiaries		8,635	8,637
Bank and cash balances		63	208
		8,739	8,885
Current liability			
Accruals and other payables		465	535
Net current assets			
		8,274	8,350
Net assets			
		8,377	8,453
Capital and reserves			
Share capital		24,394	24,394
Reserves	29(b)	(16,017)	(15,941)
Total equity			
		8,377	8,453

Approved by the Board of Directors on 31 March 2026 and are signed on its behalf by:

Chang Hsiu Hua
Director

Wang Jia
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENTS OF THE COMPANY *(Continued)*

(b) Reserve movements of the Company

	Share premium RMB'000	Share-based payment reserve RMB'000	Foreign currency translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 1 January 2024	69,619	4,240	(4,214)	(84,061)	(14,416)
Currency translation differences	–	–	1,524	–	1,524
Loss for the year	–	–	–	(3,049)	(3,049)
At 31 December 2024	69,619	4,240	(2,690)	(87,110)	(15,941)
At 1 January 2025	69,619	4,240	(2,690)	(87,110)	(15,941)
Currency translation differences	–	–	2,020	–	2,020
Loss for the year	–	–	–	(2,096)	(2,096)
Lapse of share options	–	(1,159)	–	1,159	–
At 31 December 2025	69,619	3,081	(670)	(88,047)	(16,017)

30. RESERVES

(a) Group

The movements of the Group's reserves are presented in the consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, the share premium is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

30. RESERVES *(Continued)*

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

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to Directors and employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(l) to the consolidated financial statements.

(iii) 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(b)(iii) to the consolidated financial statements.

31. SHARE-BASED PAYMENTS

Equity-settled share option scheme

A post-IPO share option scheme (“Share Option Scheme”) was adopted pursuant to the resolutions passed by all shareholders on 17 June 2016. The purpose of the Share Option Scheme is to enable the Group to grant share options to selected participants as incentives or rewards for their contribution to the Group. The Share Option Scheme will remain in force for a period of 10 years commencing from 17 June 2016.

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme is an amount equivalent to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

The exercise price of the share options is to be determined by the Directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company’s shares on the date of the offer.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. SHARE-BASED PAYMENTS *(Continued)*

Equity-settled share option scheme *(Continued)*

On 19 January 2017, options to subscribe for an aggregate of 10,000,000 shares of the Company have been granted by the Company to the existing Directors and certain employees of the Group under the Share Option Scheme. 50% of share options have an exercisable period from 19 January 2018 to 18 January 2027 (“Share Option 1”) and the remaining share option have an exercisable period from 19 January 2020 to 18 January 2027 (“Share Option 2”).

Details of the specific categories of options are as follows:

	Date of grant	Vesting period	Exercise period	Exercise price HK\$
Share Option 1	19/1/2017	19/1/2017 to 18/1/2018	19/1/2018 to 18/1/2027	1.130
Share Option 2	19/1/2017	19/1/2017 to 18/1/2020	19/1/2020 to 18/1/2027	1.130

If the options remain unexercised after a period of ten years from the date of grant, the options will lapse. Options are forfeited if the employee leaves the Group.

Details of the share options outstanding during the year are as follows:

	2025		2024	
	Number of shares issuable under options	Exercise price HK\$	Number of shares issuable under options	Exercise price HK\$
Outstanding at the beginning of the year	6,800,000	1.130	6,800,000	1.130
Forfeited during the year	(1,900,000)	1.130	–	–
Outstanding at the end of the year	4,900,000	1.130	6,800,000	1.130
Exercisable at the end of the year	4,900,000	1.130	6,800,000	1.130

Note: The options outstanding at the end of the year have a weighted average remaining contractual life of 1.1 years (2024: average life of 2.1 years) and the adjusted exercise price of HK\$1.13 (2024: HK\$1.13).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

32. RELATED PARTY TRANSACTION

(a) Transaction with related parties

In addition to those related party transactions disclosed elsewhere in the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2025	2024
	RMB'000	RMB'000
Rental expense paid to a related company owned by a director of the Company	(448)	(484)
Interest expense paid to a related company owned by a director of the Company	(290)	–
Consideration received from a director of the Company for the sales of an investment property (Note)	–	1,000

Note: For the details on the gain from the disposal of the investment property during the year ended 31 December 2024, please refer to note 20(b) to the consolidated financial statements.

(b) Balance with related parties

	2025	2024
	RMB'000	RMB'000
Loan from a related company owned by a director of the Company (Note)	17,923	18,000
Interest payables for loan from a related company owned by a director of the Company (Note)	290	–

Note: The loan is unsecured, bears interest at 2.5% per annum and will mature on 31 December 2027 (2024: The loan is unsecured, non-interest bearing and will mature on 31 December 2027).

33. CONTINGENT LIABILITIES

At 31 December 2025 and 2024, the Group did not have any significant contingent liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Loan from a related company (Note 32(b)) RMB'000	Interest payables for loan from a related company (Note 25) RMB'000	Lease liabilities (Note 26) RMB'000	Total RMB'000
At 1 January 2024	8,100	–	2,356	10,456
Addition of loan from a related company	10,900	–	–	10,900
Repayment of loan from a related company	(1,000)	–	–	(1,000)
Repayment of lease liabilities				
– capital element	–	–	(420)	(420)
– interest element	–	–	(83)	(83)
Interest expense	–	–	83	83
Early termination of lease	–	–	(39)	(39)
At 31 December 2024 and 1 January 2025	18,000	–	1,897	19,897
Addition of loan from a related company	8,982	–	–	8,982
Repayment of loan from a related company	(9,030)	–	–	(9,030)
Repayment of lease liabilities				
– capital element	–	–	(434)	(434)
– interest element	–	–	(64)	(64)
Exchange differences	(29)	–	–	(29)
Interest expense	–	290	64	354
At 31 December 2025	17,923	290	1,463	19,676

35. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026.

Summary of Financial Information

A summary of the results, assets and liabilities of the Group for the last five financial years, as extracted from the published audited consolidated financial statements, is as follows:

	Year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
RESULTS					
Revenue	20,437	1,350	8,966	11,925	40,243
Profit (loss) for the year attributable to owners of the Company	11,837	(7,596)	(9,125)	(14,259)	(2,910)
ASSETS AND LIABILITIES					
	At 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	41,685	27,602	25,982	36,708	44,118
Total liabilities	26,321	23,897	14,745	16,317	9,859
Total equity	15,364	3,705	11,237	20,391	34,259

Summary of Major Properties

INVESTMENT PROPERTIES HELD

Descriptions	Total gross floor areas (sq.m.)	Nature of Property	Attributable interest of the Group	Category of lease
1. Shop No. 39, Tian Ci Liang Yuan, No. 39 Lane 55 Qingfeng Road, Cicheng Town, Jiangbei District, Ningbo City, Zhejiang Province, the PRC	approximately 79.19 sq.m.	Shop	100%	Medium-term
2. Car Parking Spaces Nos. 11, 12, 13 and 14, Basement Level 1, Tian Ci Liang Yuan, No. 53 Lane 55 Qingfeng Road, Cicheng Town, Jiangbei District, Ningbo City, Zhejiang Province, the PRC	approximately 60.36 sq.m.	Car park	100%	Long-term
3. Shop 201, Block 1 and 2 Xuelin Yayuan, Yuxin Community Committee, Xindu District, Yancheng City, Jiangsu Province, the PRC	approximately 1,971.52 sq.m.	Shop	100%	Medium-term