



**FUTURE WORLD HOLDINGS LIMITED**

**未來世界控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 572)**



**2025**

**ANNUAL REPORT**



# Contents

	<i>Pages</i>
Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	5
Biographical Details of Directors and Senior Management	21
Report of the Directors	24
Corporate Governance Report	35
Environmental, Social and Governance Report	46
Independent Auditor's Report	83
Consolidated Statement of Profit or Loss and Other Comprehensive Income	89
Consolidated Statement of Financial Position	91
Consolidated Statement of Changes in Equity	93
Consolidated Statement of Cash Flows	94
Notes to the Consolidated Financial Statements	96
Five-year Financial Summary	200



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Ms. Wang Qian (*Chairlady*)  
Mr. Liang Jian  
Mr. Yu Qingrui  
Mr. Su Wei  
Mr. Lai Long Wai

### Independent Non-Executive Directors

Mr. He Yi  
Mr. Guo Yaoli  
Mr. Bong Chin Chung

## AUDIT COMMITTEE

Mr. He Yi (*Chairman*)  
Mr. Guo Yaoli  
Mr. Bong Chin Chung

## REMUNERATION COMMITTEE

Mr. Guo Yaoli (*Chairman*)  
Mr. He Yi  
Mr. Bong Chin Chung  
Mr. Lai Long Wai

## NOMINATION COMMITTEE

Mr. He Yi (*Chairman*)  
Mr. Guo Yaoli  
Mr. Bong Chin Chung  
Mr. Lai Long Wai  
Ms. Wang Qian (appointed on 27 June 2025)

## COMPANY SECRETARY

Mr. Chu Kin Ming

## AUTHORISED REPRESENTATIVES

Mr. Yu Qingrui  
Mr. Lai Long Wai

## COMPANY WEBSITE

[www.fw-holdings.com](http://www.fw-holdings.com)

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 10, 27/F  
C C Wu Building  
302–308 Hennessy Road  
Wan Chai  
Hong Kong

## REGISTERED OFFICE

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

## AUDITOR

Moore CPA Limited  
*Certified Public Accountants*  
*(Registered Public Interest Entity Auditor)*  
1001–1010, North Tower  
World Finance Centre, Harbour City  
19 Canton Road, Tsim Sha Tsui  
Kowloon, Hong Kong

## SHARE REGISTRAR

### Hong Kong

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

### Cayman Islands

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

## PRINCIPAL BANKERS

Public Bank (Hong Kong) Limited  
Shanghai Commercial Bank Limited  
Chong Hing Bank Limited

# Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Future World Holdings Limited (the "**Company**"), I am pleased to present the annual results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025 (the "**Year**").

## PROSPECTS

The global economy in 2025 continued to navigate a complex landscape marked by divergent monetary policies and geopolitical tensions. While major economies maintained tight interest rate environments, Asia, in particular the People's Republic of China (the "**PRC**"), saw targeted policy easing to support domestic consumption, innovation, and real estate market stabilisation.

In the PRC, the Central Government introduced a series of measures to revive confidence in the property sector, including lower down payment ratios, relaxed mortgage policies, and increased liquidity support for developers. These policies helped stabilise the property markets, although the broader market remained in a gradual recovery phase.

In Hong Kong, the Government's removal of all property cooling measures in early 2024 and its continued efforts to revitalise market liquidity contributed to a rebound in sentiment, particularly in the luxury residential segment, where demand and limited prime supply supported price resilience. However, high interest rates and global uncertainties continued to weigh on transaction volumes.

With the acquisition of two hotel operating companies in Shanxi Province in July 2024, developments in the regional hospitality sector are particularly relevant. Shanxi has benefited from strong domestic tourism recovery driven by cultural heritage travel, hotel occupancy rates in key Shanxi cities improved steadily, supported by rising domestic travel and local government initiatives to stimulate tourism consumption. These trends provide a supportive operating environment for the Group's hotel assets, and the Board will continue to evaluate optimisation and enhancement opportunities to improve long term returns.

Furthermore, the Group's successful acquisition of a licensed Type 9 asset management company in January 2025 represents a significant strategic milestone. This platform enables the Group to broaden its service capabilities by offering discretionary portfolio management and fund management solutions, while deepening integration with its existing securities and financial services operations. The acquisition enhances the Group's ability to provide comprehensive investment services, strengthens recurring fee income streams and creates meaningful cross selling opportunities across brokerage, corporate finance and investment products. The Board believes that the combination of regulatory compliance, operational expertise and expanded market access positions the Group to capture opportunities arising from the structural expansion of Hong Kong's asset management industry.

During the Year, the Group continued to review its investment and asset portfolio with a focus on capital discipline and long term sustainability. The Group aligned with its strategy to streamline non core assets, strengthen liquidity, and redeploy capital into areas with more stable or higher growth potential. These transactions reflect the Board's commitment to prudent financial management and strategic repositioning. The Group will continue to assess opportunities that enhance shareholder value while maintaining a balanced risk profile.

Looking ahead, the Group will focus on strengthening governance and compliance and enhancing operational efficiency and at the same time pursuing selective investments aligned with long term strategy. We remain cautiously optimistic and committed to building a more resilient and sustainable business foundation. The Group is committed to pursuing opportunities to diversify revenue streams, thereby creating lasting value for the shareholders of the Company (the "**Shareholders**").

# Chairman's Statement

## **APPRECIATION**

I would like to take this opportunity to express the Board's sincere gratitude to all Shareholders, investors, bankers, business associates and customers for their continuous support to the Group, and to all employees for their hard work and contributions during the past year.

**Wang Qian**

*Chairlady*

Hong Kong, 30 March 2026

# Management Discussion and Analysis

The Group's revenue for the year ended 31 December 2025 has increased to approximately HKD114,602,000, which is 35.7% higher compared with the revenue of approximately HKD84,458,000 for the year ended 31 December 2024. The increase in revenue was mainly attributable to the increase in revenue of the segments of the hotel operation and ancillary services because Hilton Changzhi Luzhou Hotel (長治潞州希爾頓歡朋酒店) and Ronghuitong Junting Hotel (融匯通君亭酒店) operated and managed by the subsidiaries of the Group were soft opening in July 2024.

The Group recorded a net loss of approximately HKD 52,469,000 for the year ended 31 December 2025 (2024: net profit of approximately HKD13,331,000). The net loss was mainly attributable to (i) the one-off gain on substantial modifications of other borrowings of approximately HKD65,206,000 for the year ended 31 December 2024 and (ii) the provision of the credit loss allowances on loan and interest receivables, net of approximately HKD317,000 for the year ended 31 December 2025 compared to the reversal of credit loss allowances on loan and interests receivables, net of approximately HKD22,744,000 for the year ended 31 December 2024, partially offset by (iii) the decrease in fair value of investment properties from approximately HKD58,399,000 for the year ended 31 December 2024 compared to approximately HKD34,557,000 for the year ended 31 December 2025.

The Group recorded a net loss of approximately HKD52,469,000 attributable to shareholders of the Company (2024: net profit of approximately HKD13,494,000) and basic and diluted losses per share attributable to the owners of the Company of HKD0.18 for the year ended 31 December 2025 (2024: basic and diluted earnings per share of HKD0.06).

## BUSINESS REVIEW

The business of the Group are divided into property investment, management and agency services, hotel operation and ancillary business, securities trading and investment, provision of financing services, securities brokerage business and asset management business.

### Property investment, management and agency

As at 31 December 2025, the details of the Group's investment property portfolio are as follows:

Address	Existing use	Market value as at 31 December 2025 HKD'000
1. No. 1, Lincoln Road, Kowloon Tong, Hong Kong	Residential	315,000
2. No. 19, Cumberland Road, Kowloon Tong, Hong Kong	Residential	259,000
3. 19 retail units located on Building Nos. 1, 2, 4 of Fortune Town, Liuyue Community, Longgang District, Shenzhen, the PRC	Commercial	79,175
4. No. 301, Unit 2, Building No. 6, Luding No. 9 Yuan, No. 9 East Street, Changzhi City, Shanxi Province, the PRC	Residential	5,090
5. Room 601, 6/F, Unit 1, Building No. 2, Shijiyilongwan East, Luzhou District, Changzhi City, Shanxi Province, the PRC	Residential	975
6. Room 601, 6/F, Unit 2, Building No. 1, Shijiyilongwan East, Luzhou District, Changzhi City, Shanxi Province, the PRC	Residential	1,042
7. Room 1701, 17/F, Unit 2, Building No. 2, Jinxiang Neighborhood, Changzhi City, Shanxi Province, the PRC	Residential	1,442
8. Room 2302, Unit 2, Building No. 3, Huaxiyuan, Luzhou District, Changzhi City, Shanxi Province, the PRC	Residential	1,308
9. No. 2702, 27/F, Unit 2, Building No. 5, No. 45 Xin Jinzi Road, Rongchuang Xuefu No. 1 Yuan, Taiyuan City, Shanxi Province, the PRC	Residential	4,680

# Management Discussion and Analysis

Address	Existing use	Market value as at 31 December 2025 HKD'000
10. Shop No. 1002, No. 45 Xin Jinzi Road, Rongchuang Xuefu No. 1 Yuan, Taiyuan City, Shanxi Province, the PRC	Commercial	9,559
11. Building No. 5 and No. 6, Qianfengshijia, Lot D-06, Kangzhuang Industrial Park, Tuenliu District, Changzhi City, Shanxi Province, the PRC City, Shanxi Province, the PRC	Residential	12,397
12. Room 3403 and Car Parking Space No. 575, No. 1, Lane 258, Puming Road, Fortune Seascape Garden, Pudong New District, Shanghai, the PRC	Residential	51,120
13. Room 706–709, Building No. 1, Dongsha Holiday Hotel, No. 1288 Jiari Road, Zhujiajianjiedao, Zhoushan City, Zhejiang Province, the PRC	Commercial	3,870
14. Unit 2, Building No. 11, Dongfangrunyuan, Lincheng Street, Dinghai District, Zhoushan City, Zhejiang Province, the PRC	Residential	5,212
15. Building No. 30 and No. 33, Wentaoyuan, Dongsha Resort, No. 1289 Jiari Road, Zhujiajianjiedao, Zhoushan City, Zhejiang Province, the PRC	Residential	2,306
16. Room 1801, Residential Building No. 6, Phase II, Haishangdaduhui, Xincheng Road, Tianya District, Sanya City, Hainan Province, the PRC	Residential	7,186
17. Unit 22A, Block B, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	Residential	15,203
18. Unit 36H, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	Residential	19,749
19. Unit 36F, Block A, District B, Donghai International Center Phase 2, Futian District, Shenzhen City, the PRC	Residential	19,683
20. Room 5701, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC	Residential	12,054
21. Room 5702, No. 58 Huajin Street, Hengqin, Zhuhai City, Guangdong Province, the PRC	Residential	16,345
22. Room 101, Block 9, No. 520 Linqi Lane, Gaoxin District, Zhuhai City, Guangdong Province, the PRC	Residential	102,794
23. 2 units located in Block 1, Fuyong Jiuyue Mansion, No. 18 Xinsha Road, Shatou Subdistrict, Futian District, Shenzhen City, the PRC	Residential	56,576
24. Flat B, 28th Floor, Broadview Villa, No. 20 Broadwood Road, Hong Kong	Residential	89,100
Subtotal		1,090,866
25. Real Estate Ownership No. 0006525 and 0006526 (JIN 2020), Shiji Yilongwan Community, West 1st Ring Road, Luzhou District, Changzhi City, Shanxi Province, the PRC (Note)	Commercial	15,129
Total		1,105,995

Note: This property is leased from third parties under operating leases and earns rental income through subleasing.

# Management Discussion and Analysis

In line with the ongoing expansion of its investment property portfolio, the Group completed the following transactions during the year ended 31 December 2025:

In April 2025, the Company completed the acquisition of the entire equity interests in Aspire Holding Limited (“**Aspire Holding**”). Aspire Holding owns and manages two properties numbered 23, which are located in Shenzhen City, the PRC.

In June 2025, Future Group Investment Holdings Limited (“**FGIHL**”), a wholly-owned subsidiary of the Company, acquired the property numbered 24 from Mr. Lai Long Wai (“**Mr. Lai**”), an executive Director and a substantial shareholder of the Company.

For details of the above transactions, please refer to the section headed “MATERIAL ACQUISITIONS AND DISPOSAL” on pages 17 and 18 of this report.

During the Year, the Group recorded rental income of approximately HKD8,622,000 (2024: approximately HKD8,881,000). The Group also recorded a fair value loss of approximately HKD34,557,000 (2024: approximately HKD58,399,000) on investment properties, which was primarily due to the poor sentiment in the real estate market. In addition, the Group recorded commission income from property agency service of HKD18,385,000 (2024: HKD15,819,000) and property management services income of HKD8,140,000 (2024: HKD6,454,000) during the Year.

The Group will continue to look for opportunities to expand and optimise its investment property portfolio with the aim of generating stable rental income and/or capital appreciation.

## Hotel operation and ancillary business

During the Year, the operation and management of Hilton Changzhi Luzhou Hotel (長治潞州希爾頓歡朋酒店) and Ronghuitong Junting Hotel (融匯通君亭酒店) was conducted by the subsidiaries of the Group, namely Shanxi Ronghuitong Hotel Management Co., Ltd.\* (山西融匯通酒店管理有限公司) (“**SR Hotel Management**”) and Shanxi Ronghuitong Junting Hotel Co., Ltd.\* (山西融匯通君亭酒店有限公司) (“**SR Junting**”), respectively.

In addition, leveraging the operational resources and industry expertise in the hotel operation business, the Group provided catering and cleaning services to local corporate clients in Shanxi Province, the PRC.

During the Year, the Group recorded segment revenue of approximately HKD70,184,000 (2024: HKD43,580,000) and a segment loss of approximately HKD15,298,000 (2024: approximately HKD5,382,000).

## Securities trading and investment

The Group identified its investments based on the share price, the gain potential and the future prospect of the investments. The securities investments were classified under financial assets at fair value through other comprehensive income (“**Financial Assets at FVTOCI**”) and financial assets at fair value through profit or loss (“**Financial Assets at FVTPL**”) in the consolidated financial statements. As at 31 December 2025, the Group’s securities trading portfolio comprised equity securities of six companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), namely Smart Fish Wealthlink Holdings Limited (Formerly known as Central Wealth Group Holdings Limited) (“**Smart Fish**”, stock code: 139), CMBC Capital Holdings Limited (“**CMBC Capital**”, stock code: 1141), Shanghai Conant Optical Co., Ltd (“**SH Optical**”, stock code: 2276), LX Technology Group Limited (“**LX Tech**”, stock code: 2436), Fenbi Ltd. (“**Fenbi**”, stock code: 2469) and HG Semiconductor Limited (“**HG**”, stock code: 6908).

# Management Discussion and Analysis

As at 31 December 2025, details of the securities investments held are as follows:

Name of the investees	Number of shares held	Percentage of equity interests as at 31.12.2025	Market value of the interests as at 31.12.2025 HKD'000	Market value of the interests as at 31.12.2024 HKD'000	Fair value gain/(loss) for the Year HKD'000
<b>FVTOCI</b>					
Smart Fish (Stock code: 139)	21,303,065	1.734%	2,855	5,965	(3,110)
CMBC Capital (Stock code: 1141)	7,890,000	0.719%	5,444	3,944	1,500
Subtotal			8,299	9,909	(1,610)

Name of the investees	Number of shares held	Percentage of equity interests as at 31.12.2025	Market value of the interests as at 31.12.2025 HKD'000	Market value of the interests as at 31.12.2024 HKD'000	Fair value gain/(loss) for the Year HKD'000
<b>FVTPL</b>					
Smart Fish (Stock code: 139)	8,447,000	0.688%	1,132	7,017	(1,153)
SDHG (Stock code: 412)	-	-	-	40,955	(10,074)
SH Optical (Stock code: 2276)	1,020,000	0.213%	55,080	25,398	29,682
LX Tech (Stock code: 2436)	540,000	0.153%	2,457	1,987	470
Fenbi (Stok code: 2469)	240,000	0.011%	492	615	(123)
HG (Stock code: 6908)	390,000	0.042%	180	261	(81)
Investment fund in Cayman Islands	N/A	N/A	-	38,720	(15,828)
Financial product in the PRC	N/A	N/A	524	368	6
Subtotal			59,865	115,321	5,205
Total			68,164	125,230	3,595

As at 31 December 2025, the Group held securities investment portfolio with market value of approximately HKD68,164,000 (31 December 2024: HKD125,230,000). As at 31 December 2025, none of the investments held by the Group the value of which was more than 5% of the total assets of the Group.

In September 2025, the Group has disposed of 6,310,500 ordinary shares of SDHG on the open market at a total consideration of approximately HKD30,881,000 and recorded a loss on disposal of approximately HKD10,074,000.

# Management Discussion and Analysis

During June 2025 to 31 December 2025, through a series of transactions, the Group has disposed a total of an aggregate of (1) 278,474,000 ordinary shares of Smart Fish before the capital reorganisation conducted by Smart Fish having become effective ("**Smart Fish Pre-Consolidated Shares**"), and (2) 2,690,000 ordinary shares of Smart Fish after the capital reorganisation conducted by Smart Fish having become effective (the "**Smart Fish Post-Consolidated Shares**") on open market at a total consideration of HKD7,039,000 and recorded a gain on disposal of approximately HKD2,372,000. Subsequently in January 2026, the Group has disposed all the remaining shares of Smart Fish Post-Consolidated Shares on the open market.

Subsequently, on 16 January 2026, the Company entered into the conditional agreement with Mr. Lai pursuant to which the Company agreed to transfer all the shares of CMBC Capital, SH Optical, LX Tech, Fenbi and HG to Mr. Lai for a total consideration of HKD77,428,500. For details, please refer to the announcement and circular of the Company dated 16 January 2026 and 27 March 2026 respectively.

The Group acquired the securities for investment purpose. It is noted that the trading prices of securities have been volatile during the past few years and the above disposal and transfer represent an opportunity to allow the Group to reallocate the resources.

## Provision of financing services

The Group provides financial services through its wholly-owned subsidiary Globally Finance Limited ("**Globally Finance**"), a company incorporated in Hong Kong and the holder of a valid money lender's license under the Money Lenders Ordinance during the Year. Globally Finance is principally engaged in loan financing business by providing secured and unsecured loans to its customers. All money lending transactions to borrowers are financed by the Group's internal funds.

The Group reaches out to potential individual and corporate customers through the business and social networks of its management. Referrals of borrowers from existing clients are also welcomed. Globally Finance assesses the creditworthiness of each potential customers based on its credit policies and procedures to evaluate their loan applications.

While there are no specific industry requirements for corporate customers, corporate customers which are listed on the Main Board of the Stock Exchange are preferred. Updated financial statements from corporate customers are required for the approval of loans. There is no specific industry background requirements for individual borrowers. However, through the network of the management, existing individual borrowers are mainly merchants engaged in property investment industry. The Group requests that individual borrowers to have stable incomes, free from any secured loan products (except self-residential mortgage) under other banks or financial institutions or unsecured loan products under financial institutions (except banks) by customers' declaration.

The Group adhered to its effective comprehensive policy and prudent procedures relating to loan approvals, renewals, top-ups, recovery, compliance, monitoring and anti-money laundering.

Globally Finance is managed by its sole director who has years of experience in accounting, corporate development and/or financial management experience and has overseen the business operations of Globally Finance. All loans are required to be approved by the director of Globally Finance.

Interest income from the Group's money lending business during the Year amounted to approximately HKD5,585,000, showing a decrease of approximately 40.6% from approximately HKD9,401,000 in the year ended 31 December 2024. Operating profit from this business segment amounted to approximately HKD2,861,000 during the Year (2024: approximately HKD33,173,000).

# Management Discussion and Analysis

As at 31 December 2025, the total gross amount of loan and interest receivables amounted to HKD53,136,000 (31 December 2024: HKD170,863,000). Globally Finance granted loans to 4 (31 December 2024: 7) borrowers under its money lending business. 1 (31 December 2024: 2) of the borrowers was a corporate borrower and a listed companies in Hong Kong. The remaining 3 (31 December 2024: 5) borrowers were individual borrowers and the loans were personal loans. As at 31 December 2025, all borrowers were third parties independent of and not connected with the Group. The annual interest rates for loans ranged from 5.0% to 7.7% (31 December 2024: 5.0% to 7.7%).

Details of loans granted as at 31 December 2025 are as follows:

Borrowers	Original principal HKD	Tenure	Interest rate	Secured
Individual Borrower A	25,000,000	21/12/2020–21/12/2023 <i>(Note (i) and (iv))</i>	5.0%	Y <i>(Note (i))</i>
Individual Borrower B	28,300,000	21/12/2020–21/12/2023 <i>(Note (ii) and (iv))</i>	6.0%	Y <i>(Note (ii))</i>
Individual Borrower C	15,000,000	17/10/2022–16/10/2025 <i>(Note (iv))</i>	7.7%	N
Corporate Borrower A	10,000,000	8/1/2021–7/1/2024 <i>(Note (iii))</i>	7.0%	N

Notes:

- (i) As at 31 December 2025, the loan and interest receivable from individual borrower A amounted to HKD17.0 million. The balance was secured by PRC properties valued at HKD17.2 million as at 31 December 2025.
- (ii) As at 31 December 2025, the loan and interest receivable from individual borrower B amounted to HKD8.6 million. The balance was secured by PRC properties valued at HKD14.0 million as at 31 December 2025.
- (iii) Corporate Borrower A was under winding-up procedure and the outstanding balance due from this borrower has been fully written-off in the financial year ended 31 December 2023.
- (iv) Subsequently, on 16 January 2026, the Company entered into the conditional agreement with Mr. Lai pursuant to which the Company agreed to transfer these loan receivables to Mr. Lai at their carrying amounts. For details, please refer to the announcement and circular of the Company dated 16 January 2026 and 27 March 2026 respectively.

The ageing analysis of loan and interest receivables from money lending business as at 31 December 2025 is as follows:

	HKD'000
31 to 90 days	16,137
181 to 365 days	36,999
	53,136

# Management Discussion and Analysis

For the concentration of the Group's loan portfolio as at 31 December 2025, the outstanding loan and accrued interest receivables of the top borrower and the top three (31 December 2024: five) borrowers amounted to approximately HKD17.0 million (31 December 2024: HKD103.0 million) and HKD34.9 million (31 December 2024: HKD149.6 million) respectively, which represented approximately 48.7% (31 December 2024: 66.9%) and 100% (31 December 2024: 97.2%) of the total loan and accrued interest receivables of the Group. Set out below is the summary of the top three borrowers of the provision of financing services business as at 31 December 2025:

<b>Rank</b>	<b>Borrower</b>	<b>Book value of loan and interest receivables (HKD million)</b>	<b>Proportion of the Group's total loan and interest receivables (%)</b>
1.	Individual Borrower A	17.0	48.7
2.	Individual Borrower C	9.3	26.7
3.	Individual Borrower B	8.6	24.6

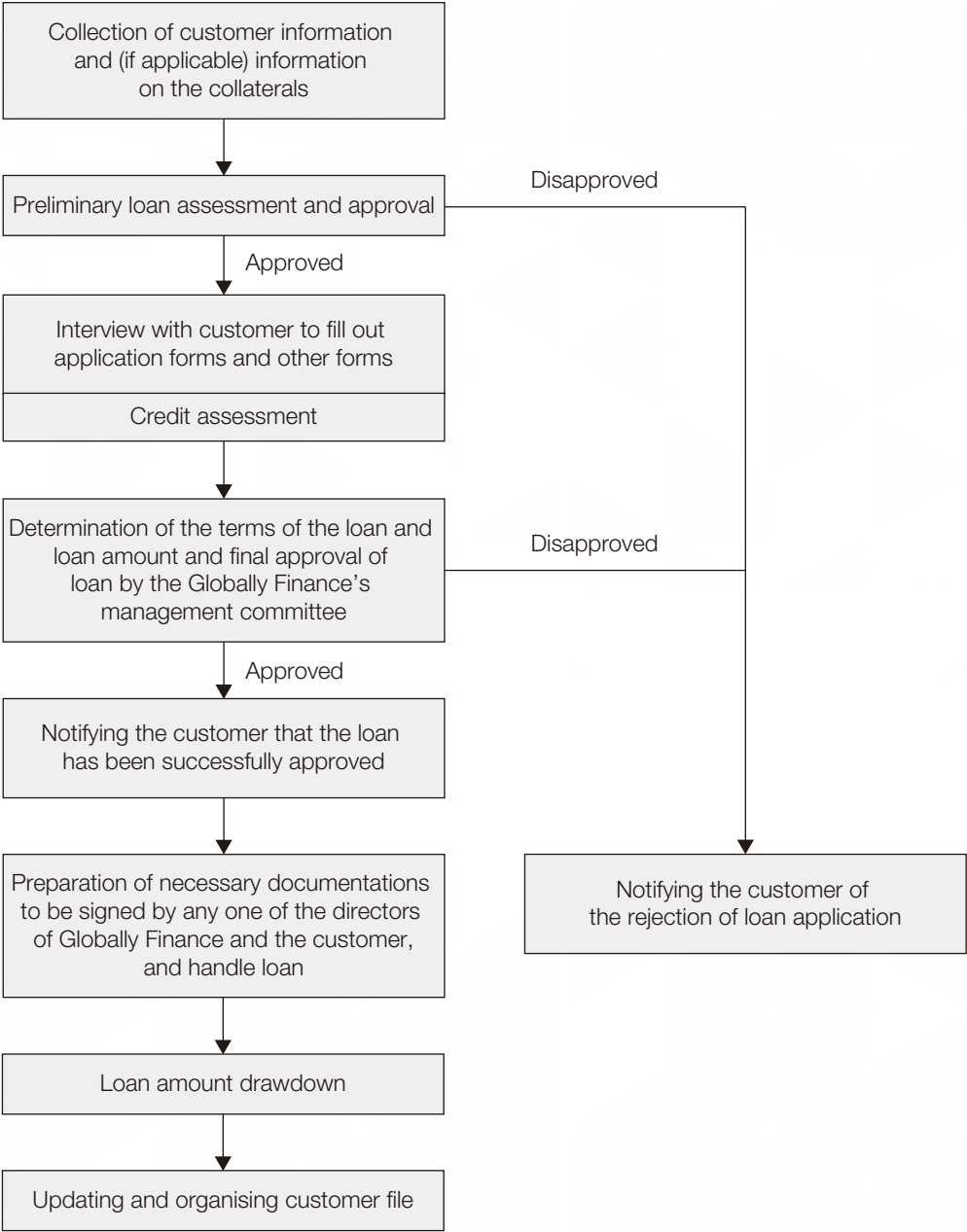
The actual interest rate offered by Globally Finance is affected by a number of factors including the term and amount of the loans, the availability of collaterals and the prevailing bank lending interest rate. Applicants with stronger repayment ability usually receive more favourable financing terms and less security and/or collaterals may be required. In general, unsecured loans have higher interest rates and shorter loan terms, while secured loans usually have lower interest rates. Furthermore, the loan size is taken into consideration, with larger loans generally charging higher interest rates.

To mitigate the risks associated with its business, Globally Finance has adopted a set of credit policies and procedures as set out in its credit policy and procedure manual, which gives a clear guideline for credit assessment and granting loans. Globally Finance follows standard commercial practices by conducting credit review procedures to determine the ability of applicants to fulfill their financial obligations. Applications must comply with specific credit constraints before being reviewed by Globally Finance. Applicants are required to submit all information necessary for conducting the reviews as required by Globally Finance. In assessing a borrower's application, the following parameters must be reasonably taken into consideration:

- (A) the amount of Globally Finance's potential financial exposure associated with the applicant;
- (B) the repayment ability of the applicant;
- (C) the security and/or collateral provided; and
- (D) others, e.g. external market condition, legal compliance etc..

# Management Discussion and Analysis

Set out below is the standard credit review procedure adopted by Globally Finance:



Upon receiving the required application and supplemental information, Globally Finance will conduct a financial review to evaluate an applicant’s financial viability and determine the appropriate amount of credit limit. Interest rate posed on the approved loan amount will be set with reference to the prevailing market rate, the level of risk involved in each case as well as the general economic and business environment. The interest rate shall not exceed the threshold as stipulated in the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong).

# Management Discussion and Analysis

The Group confirms that it has complied with the requirements in Chapters 14 and/or 14A of the Listing Rules when granting loans to each of the borrowers, whose loan(s) remained outstanding as at 31 December 2025.

The Group had no agreement, arrangement, understanding or undertaking (whether formal or informal and whether express or implied) with a connected person with respect to the grant of loans to the borrower(s) whose loan(s) remained outstanding as at 31 December 2025.

During the Year, the Group assessed and estimated credit loss allowances (“**ECL**”) for the loan and interest receivables according to the requirement of Hong Kong Financial Reporting Standard (“**HKFRS**”) 9 issued by the Hong Kong Institute of Certified Public Accountants. In calculating the ECL rates, the Group considered historical loss rates for each category, the prevailing economic conditions, the value of the collateral and adjusts for forward looking data. Loans which were classified as “Loss” should be written off and the final approval should be obtained from the director of Globally Finance.

Normally, Globally Finance will assess the repayment ability and the risk of default for each borrower every year or every half year except for the high risk borrowers, for which the assessment will be made more frequently. Globally Finance will conduct reviews of customers’ financial standing to assess any necessary adjustments to the amounts of credit limits and collateral (if any). For the purpose of conducting such reviews, all customers will be required to submit the updated financial proof documents promptly upon Globally Finance’s request. These reviews will be carried out from time to time.

Credit reviews may be performed in response to material changes in a customer’s financial standing or as requested by a customer. Customers will be required to inform Globally Finance in writing of any material change in their financial status within 10 days of its occurrence. Customers are required to disclose the following material change in their financial status to Globally Finance:

- the latest income proof
- any material change in assets/liabilities
- bank account statement
- property land search report
- the latest company balance sheet and profit or loss

Globally Finance will review the reported material changes in terms of their impact on a customer’s financial capacity. Depending on the nature of these material changes, Globally Finance may find it necessary to reassess the customer’s credit limit and collateral requirement (if any).

During the period from 22 September 2025 to 24 September 2025, one Corporate Borrower disposed of 65,356,000 ordinary shares of SDHG (the “**SDHG Shares**”) which are the security to the loan on the open market at a total cash consideration of approximately HKD324.4 million and the accrued loan and interest due from this corporate borrower amounting to approximately HKD95.8 million as of 24 September 2025 has been fully settled by the sales proceed of the disposal of the SDHG Shares.

# Management Discussion and Analysis

Subsequently, on 16 January 2026, the Company entered into the conditional Agreement with Mr. Lai pursuant to which the Company agreed to assign the rights of loan receivables of Individual Borrower A, Individual Borrower B and Individual Borrower C (the “**Assigned Loan Receivables**”) for a total consideration of HKD41,749,977. For details, please refer to the announcement and circular of the Company dated 16 January 2026 and 27 March 2026 respectively. As the Assigned Loan Receivables have been overdue, the Group considers that the Disposal will represent an efficient way to realize the Assigned Loan Receivables without incurring significant costs and resources to recover the Loan Receivables itself.

Based on the result of credit assessment on debtors, the credit loss allowances for loan and interest receivables as at 31 December 2025 was approximately HKD18,205,000 (31 December 2024: HKD16,852,000), and provision for credit loss allowances for loan and interest receivables of approximately HKD1,353,000 (2024: reversal of provision of HKD11,524,000) was made during the Year.

The movement of provision for estimated credit loss allowances of loan and interest receivables is as follows:

	HKD'000
As at 1 January 2025	16,852
Addition	317
Change in risk parameter	1,036
As at 31 December 2025	18,205

## Securities brokerage business

The Group’s security brokerage business is carried out through Future World Securities Investment Limited (“**FW Securities**”), a wholly owned subsidiary of the Company. FW Securities is incorporated in Hong Kong with limited liability and is carrying on business in Type 1 (Dealing in Securities) and Type 4 (Advising on Securities) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

During the Year, no revenue (2024: Nil) was generated and a loss of approximately HKD1,223,000 (2024: HKD1,282,000) was recorded for the segment of securities brokerage business.

## Asset management business

On 28 January 2025, the Group completed the acquisition of the entire equity interests of Excelerate Holding Limited (the “**Excelerate Holding Acquisition**”), which holds the entire equity interests of Excelerate Fund Management Limited (the “**EFM**”). EFM is a company licensed to carry on Type 9 (Asset Management) regulated activity under the SFO. As at 31 December 2025, EFM manages 1 open-ended fund and 3 limited partnership funds. The total assets under management (AUM) as at 31 December 2025 was approximately HKD177,600,000. During the Year, the Group recorded segment revenue of approximately HKD3,374,000 from the date of completion of the Excelerate Holding Acquisition and a segment loss of approximately HKD625,000.

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Liquidity, financial, resources and funding

The Group continues to adopt prudent financing and treasury policies. The Group's entire financing and treasury activities are centrally managed and controlled. Implementation of the Group's related policies is made under collective but extensive considerations on liquidity risk, financing cost and exchange rate risk.

The executive Directors, with the assistance of the Group's financial controller, are responsible for identifying, reviewing, evaluating and analysing the investment opportunities of the Group. The executive Directors also regularly monitor the cash position and funding requirements of the Group.

During the Year, the Group mainly financed its operations by cash generated from operation, bank borrowings, other borrowings, promissory note and loans from a director of the Company. The Group had total cash and bank balances of approximately HKD212,322,000 as at 31 December 2025 (31 December 2024: approximately HKD99,275,000). The Group had total borrowings of approximately HKD706,988,000 (31 December 2024: approximately HKD728,157,000), comprising bank borrowings of approximately HKD199,623,000 (31 December 2024: approximately HKD217,368,000), other borrowings of approximately HKD332,773,000 (31 December 2024: approximately HKD381,437,000), loans from a director of approximately HKD158,418,000 (31 December 2024: HKD70,608,000), promissory note of approximately HKD16,174,000 (31 December 2024: HKD13,887,000) and bond payable of approximately HKDNil (31 December 2024: HKD44,857,000) as at 31 December 2025. As at 31 December 2025, the total amount of cash and cash equivalents, bank borrowings, other borrowings of the Group which were mostly denominated in RMB and HKD.

As at 31 December 2025, among the bank borrowings of the Group, approximately HKD33,102,000 were repayable within one year, approximately HKD10,941,000 were repayable over one year but not exceeding two years, approximately HKD34,659,000 were repayable over two years but not exceeding five years and approximately HKD120,921,000 were repayable over five years. The bank borrowings had interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime Rate, whichever is the lower and (iii) 2.5% per annum over HIBOR (1 week to 1 month).

Other borrowings of the Group were comprised of loans from directors of subsidiaries and loans from individual third parties. The loans from directors of subsidiaries are unsecured, bear fixed interest rates ranging from 3.95% to 4% per annum, and are repayable over more than 5 years under scheduled repayment terms maturing by 2034. The loans from individual third parties are similarly unsecured, bear a fixed interest rate of 4% per annum, and are repayable over more than 5 years under scheduled repayment terms maturing by 2034.

The promissory note of approximately HKD16,174,000 (31 December 2024: HKD13,887,000) with maturity date on 31 March 2028 and carries a fixed interest rate of 5% per annum, which will commence from the first anniversary of its issuance. Interest payments are to be made annually in arrears starting after the first anniversary. The effective interest rate of the promissory note is 3.33%.

# Management Discussion and Analysis

Among loans from a director, approximately HKD22,178,000 are unsecured, interest free and repayable on demand, approximately HKD80,580,000 was carrying interest rate at Hong Kong Dollar Best Lending Rate as announced by the The Hongkong and Shanghai Banking Corporation Limited from time to time minus 1% per annum from 27 October 2025 and payable in full on 26 October 2028, and approximately HKD55,660,000 are unsecured, interest free and will be matured on 31 December 2029.

The gearing ratio, calculated by dividing total borrowings by total equity, was approximately 86.05% as at 31 December 2025 (31 December 2024: 85.86%). Net assets were approximately HKD821,615,000 (31 December 2024: approximately HKD848,030,000) on the same date.

As at 31 December 2025, the Group has total current assets of approximately HKD335,321,000 (31 December 2024: HKD495,388,000) and total current liabilities of approximately HKD314,384,000 (31 December 2024: HKD436,277,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was approximately 1.07 as at 31 December 2025 (31 December 2024: 1.14).

The Group's finance costs for the Year was approximately HKD40,194,000 (2024: HKD23,969,000) and was mainly related to interests paid on the bank borrowings, other borrowings, the loans from a director of the Company and bonds.

## Pledge of assets

As at 31 December 2025, the Group's investment properties with carrying amount of HKD574,000,000 (31 December 2024: HKD564,000,000) and the securities investment under FVTOCI of approximately HKD5,444,000 (31 December 2024: HKD9,909,000); have been pledged to secure the bank borrowings (31 December 2024: Bank borrowings and other borrowings) granted to the Group.

## TREASURY POLICIES

The Group has adopted a prudent approach to its treasury and funding policies. The Board closely manages risks associated with transactions related to the Group's business and ensures sufficient financial resources to support its business activities.

## CAPITAL STRUCTURE

The issued share capital of the Company only comprises ordinary shares. As at 31 December 2025 and the date of this report, the Company had 301,507,892 Shares in issue (2024: 253,890,982).

## PRINCIPAL RISKS

The Group's activities are exposed to a variety of risks as set out below:

### Foreign currency risk and management

The Group has exposure to foreign currency risks as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars and Renminbi. The Group currently does not have a foreign currency hedging policy in respect of its foreign currency assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging foreign currency exposure if necessary. As at 31 December 2025, no financial instrument was used for hedging purposes, and we did not commit to any financial instruments to hedge our exposure to foreign exchange risk.

# Management Discussion and Analysis

## Interest rate risk exposure

The Group's exposure to interest rate risk arises from bank balance, bank borrowing, other borrowings, bond payable, lease liabilities and loans from a director of the Company which bear interests at variable rates. Meanwhile, other borrowings, loans from a director, promissory note and bond payable either bears nil interest or fixed interest rates. As a result, the Directors consider that the Group's income and operating cash flows are substantially independent of changes in variable interest rates. The Group conducts regular sensitivity analyses to assess the potential impact of interest rate fluctuations on its financial performance.

## Liquidity risk exposure

The Group's policy is to regularly monitor its liquidity needs to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its short-term and long-term liquidity requirements.

## MATERIAL ACQUISITIONS AND DISPOSAL

### (i) Acquisition of Excelerate Holding Limited (“Excelerate Holding”)

On 26 June 2024, the Company entered into an agreement with a vendor to acquire the entire equity interest of Excelerate Holding at a consideration of HKD2,850,005 (the “**Acquisition of Excelerate Holding**”). Excelerate Fund Management Limited (卓思基金管理有限公司), a subsidiary of Excelerate Holding, is a company licensed to carry on Type 9 (Asset Management) regulated activities under the SFO. For details of the Acquisition of Excelerate Holding, please refer to the announcements of the Company dated 26 June 2024 and 28 January 2025. The acquisition of Excelerate Holding completed on 28 January 2025.

### (ii) Acquisition of Property and Assignment of Receivables

On 23 December 2024, FGIHL and Mr. Lai entered into the conditional provisional agreement, pursuant to which FGIHL has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the property located at Flat B, 28th Floor, Broadview Villa, No. 20 Broadwood Road, Hong Kong (the “**Property Acquisition**”) with consideration of HKD88,000,000. On the same date, the Company and Mr. Lai entered into a deed of assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of certain receivables at a consideration of HKD23,391,264 (the “**Assignment of Receivables**”). For details of the Property Acquisition and the Assignment of Receivables, please refer to the announcement and circular of the Company dated 23 December 2024 and 25 February 2025, respectively. The Property Acquisition and the Assignment of Receivables have been approved by the Shareholders by way of poll at the extraordinary general meeting of the Company on 14 March 2025. The Property Acquisition and the Assignment of Receivables completed on 30 June 2025.

# Management Discussion and Analysis

## (iii) Acquisition of Aspire Holding

On 27 February 2025, the Company entered into the sales and purchase agreement with the independent vendor (the “**Vendor**”), pursuant to which the Company has conditionally agreed to acquire and take assignment of, and Vendor has conditionally agreed to sell and assign, the entire equity interest in Aspire Holding and the shareholder’s loan at considerations of HKD1,142,000 and HKD26,596,000, respectively. The acquisition completed on 1 April 2025. For details of the acquisition of Aspire Holding, please refer to the announcements of the Company on 27 February 2025 and 1 April 2025.

## (iv) Disposal of listed securities held by the Group

In September 2025, the Group has disposed of 6,310,500 SDHG Shares on the open market at a total consideration of approximately HKD30,881,000 and recorded a loss on disposal of approximately HKD10,074,000.

During June 2025 to 31 December 2025, through a series of transactions, the Group has disposed a total of an aggregate of (1) 278,474,000 Smart Fish Pre-Consolidated Shares, and (2) 2,690,000 Smart Fish Post-Consolidated Shares on open market at a total consideration of HK\$7,039,000 and recorded a gain on disposal of approximately HKD2,372,000. Subsequently in January 2026, the Group has disposed all the remaining shares of Smart Fish Post-Consolidated Shares on the open market and details please refer to the announcement of the Company dated 2 January 2026.

## CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Company has entered into the following transactions with its related or connected parties which are required to be disclosed in accordance with Chapter 14A of the Listing Rules.

### 1. Property Acquisition and the Assignment of Receivables

For details of the Property Acquisition and the Assignment of Receivables, please refer to the section headed “MATERIAL ACQUISITIONS AND DISPOSALS” in pages 17 and 18 of this report.

### 2. Loan agreement between Mr. Lai and the Company

On 27 October 2025, a loan agreement (the “**Rejoice Loan Agreement**”) entered into between Rejoice Holdings Limited (the “**Rejoice**”), a company wholly owned by Mr. Lai, as lender and the Company as borrower, Rejoice granted a loan facility in the amount of up to HK\$200,000,000 to the Company. Interests on the loan under the Rejoice Loan Agreement shall accrue at the rate equal to the Hong Kong Dollar Best Lending Rate as announced by the Hong Kong and Shanghai Banking Corporation Limited from time to time minus 1% per annum, payable in arrears from the drawdown date and payable in full on repayment date which is the date falling on the third anniversary of the drawdown date. The Rejoice Loan Agreement is fully exempted from disclosure requirements pursuant to Rule 14A.90 of Listing Rules given the Rejoice Loan Agreement is conducted on normal commercial terms or better and it’s not secured by the assets of the Group.

Save for the above and elsewhere in this report, the Company has not entered into any transactions with its connected parties which are required to be disclosed accordance with Chapter 14A of the Listing Rules.

# Management Discussion and Analysis

## FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2025, except for disclosed elsewhere in this report, the Group did not have plan for future material investments and capital assets.

## PROSPECTS

The global economy in 2025 continued to navigate a complex landscape marked by divergent monetary policies and geopolitical tensions. While major economies maintained tight interest rate environments, Asia, in particular the People's Republic of China (the "PRC"), saw targeted policy easing to support domestic consumption, innovation, and real estate market stabilisation.

In the PRC, the Central Government introduced a series of measures to revive confidence in the property sector, including lower down payment ratios, relaxed mortgage policies, and increased liquidity support for developers. These policies helped stabilise the property markets, although the broader market remained in a gradual recovery phase.

In Hong Kong, the Government's removal of all property cooling measures in early 2024 and its continued efforts to revitalise market liquidity contributed to a rebound in sentiment, particularly in the luxury residential segment, where demand and limited prime supply supported price resilience. However, high interest rates and global uncertainties continued to weigh on transaction volumes.

With the acquisition of two hotel operating companies in Shanxi Province in July 2024, developments in the regional hospitality sector are particularly relevant. Shanxi has benefited from strong domestic tourism recovery driven by cultural heritage travel, hotel occupancy rates in key Shanxi cities improved steadily, supported by rising domestic travel and local government initiatives to stimulate tourism consumption. These trends provide a supportive operating environment for the Group's hotel assets, and the Board will continue to evaluate optimisation and enhancement opportunities to improve long term returns.

Furthermore, the Group's successful acquisition of a company licensed to carry out Type 9 asset management regulated activities under the SFO in January 2025 represents a significant strategic milestone. This platform enables the Group to broaden its service capabilities by offering discretionary portfolio management and fund management solutions, while deepening integration with its existing securities and financial services operations. The acquisition enhances the Group's ability to provide comprehensive investment services, strengthens recurring fee income streams and creates meaningful cross selling opportunities across brokerage, corporate finance and investment products. The Board believes that the combination of regulatory compliance, operational expertise and expanded market access positions the Group to capture opportunities arising from the structural expansion of Hong Kong's asset management industry.

During the Year, the Group continued to review its investment and asset portfolio with a focus on capital discipline and long term sustainability. The Group aligned with its strategy to streamline non core assets, strengthen liquidity, and redeploy capital into areas with more stable or higher growth potential. These transactions reflect the Board's commitment to prudent financial management and strategic repositioning. The Group will continue to assess opportunities that enhance shareholder value while maintaining a balanced risk profile.

Looking ahead, the Group will focus on strengthening governance and compliance and enhancing operational efficiency and at the same time pursuing selective investments aligned with long term strategy. We remain cautiously optimistic and committed to building a more resilient and sustainable business foundation. The Group is committed to pursuing opportunities to diversify revenue streams, thereby creating lasting value for the shareholders of the Company.

# Management Discussion and Analysis

## **LITIGATIONS AND CONTINGENCIES**

As at 31 December 2025, the Group did not have any significant litigations and contingencies.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 December 2025, the Group had 600 employees situated in Hong Kong and the PRC (31 December 2024: 597 employees). The Group's emoluments policies are formulated based on industry practices and performance of individual employees. For the Year, the total staff costs including remuneration of Directors amounted to approximately HKD46,774,000 (2024: HKD21,007,000).

## **EVENTS AFTER THE REPORTING PERIOD**

On 16 January 2026, the Company entered into the conditional agreement with Mr. Lai pursuant to which the Company agreed to transfer and assign the sales securities and the loan and interest receivables to Mr. Lai for a total consideration of approximately HK\$119,178,000. The consideration to be payable by Mr. Lai shall be settled by way of (i) set off of the outstanding indebtedness in the aggregate amount of approximately HKD102,942,000 owing by the Group to Mr. Lai and Rejoice Holdings Limited (with Mr. Lai being the sole shareholder) on a dollar-to-dollar basis and (ii) Mr. Lai shall pay the balance of approximately HKD16,236,000 within one year following the completion of the transaction. Details of the conditional agreement are set out in the announcement and the circular made by the Company on 16 January 2026 and 27 March 2026 respectively.

# Biographical Details of Directors and Senior Management

## EXECUTIVE DIRECTORS

### Ms. Wang Qian (“Ms. Wang”)

Ms. Wang, aged 50, has been appointed as an executive director of the Company and vice chairman of the Board on 31 May 2022 and has re-designated as chairlady of the Board on 31 July 2024. She has over 20 years of experience in finance, investment and management area. From October 2001 to June 2002, she was employed by PricewaterhouseCoopers Consulting, with her last position as a consultant and was primarily responsible for enterprise strategy and financial management consultation. She successively acted as a senior manager of the finance strategy & business development department at the US headquarters of Goodyear Tire & Rubber Company and the Asia-Pacific region Finance Director of Goodyear Engineered Products Company from July 2004 to March 2009, where she was primarily in charge of mergers and acquisitions, and annual operation planning, as well as organising and supervising the financial activities for Asia Pacific region. After Goodyear Engineered Products Company was acquired by The Carlyle Group, she had led several acquisitions and restructuring projects. Since March 2009, she has served as the president of HIXIH Investment, a company principally engaged in the business of equity and securities investment, and she is primarily responsible for company management and investment business, during which she has accomplished and participated in several initial public offering projects in the New York Stock Exchange, the Stock Exchange and the Shanghai Stock Exchange for companies in finance, energy and resources, high-tech industries. She received a certificate of Certified Public Accountant granted by the Accountancy Board in the USA in October 2005. Since January 2016, she has been employed by Huili Resources (Group) Limited, a company listed on the main board of the Stock Exchange (stock code: 1303), as an executive director. Ms. Wang received her bachelor of economics from the Central University of Finance and Economics in July 1998. Ms. Wang received her master of business administration from the Carnegie Mellon University in the USA in May 2004.

### Mr. Liang Jian (“Mr. Liang”)

Mr. Liang, aged 45, has been appointed as an executive director of the Company on 13 March 2018. He is the senior vice president of 嚴格集團股份有限公司 (formerly known as 哈工大機器人集團股份有限公司) and is in charge of the sales and marketing businesses. Mr. Liang has over 16 years of experience in marketing, investment, finance and management sectors. He was an executive director of Asia Investment Finance Group Limited (stock code: 33), a company listed on the Main Board of the Stock Exchange from 28 November 2018 to 18 December 2018. Mr. Liang is also currently a director of various subsidiaries of the Company. Mr. Liang obtained a bachelor degree of mechanical design manufacturing and its automation from Harbin Engineering University in 2003 and a master degree in business administration from Tongji University (同濟大學) in the PRC in 2010.

### Mr. Yu Qingrui (“Mr. Yu”)

Mr. Yu, aged 54, has been appointed as an executive director of the Company in September 2014. Mr. Yu specialises in property investment and trading business in the PRC. After graduating from high-school in 1989, Mr. Yu joined the shipping and trading business in the PRC. He was the general manager of a shipping company before he became a private investor in 2003. In 2011, Mr. Yu joined a marketing and management firm in Shanghai and served as their property investment manager. He is currently an executive director of Central Wealth which has an interest in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

# Biographical Details of Directors and Senior Management

## **Mr. Su Wei (“Mr. Su”)**

Mr. Su, aged 45, has been appointed as an executive director of the Company on 1 July 2022. He has over 15 years of experience in the meat trading business. From 2004 to 2013, he worked in several multinational companies and was engaged in the trading of meat products in Shanghai, the PRC. Since May 2013, He has been serving as a general manager of ESS-FOOD (Shanghai) Trading Co. Ltd. of the Danish Crown Group (丹尼斯冠(上海)貿易有限公司). He obtained a bachelor’s degree in commerce (management science and marketing) in October 2003 and a graduate diploma in commerce in August 2004 from the University of Sydney, respectively.

## **Mr. Lai Long Wai (“Mr. Lai”)**

Mr. Lai, aged 49, has been appointed as an executive director and the authorised representative of the Company on 10 November 2023. He has extensive experience in the fields of accounting, finance and investment. He has been a member of The Institute of Chartered Accountants in Australia since April 2002. Mr. Lai was a Chief Financial Officer of Beijing DT Capital Management Limited (北京德圖資本管理股份有限公司) from 2016 to 2020. Prior to joining Beijing DT Capital Management Limited, he respectively worked at PricewaterhouseCoopers (PwC) – Hong Kong and Klynveld Peat Marwick Goerdeler (KPMG) – Beijing, both of which are reputable accounting firms, during 2009 to 2012. Mr. Lai was also employed by GNS China Investment Advisory Limited (吉恩思投資諮詢(中國)有限公司) in 2004 and he was responsible for expanding cross-border investment and financing business in Beijing. Mr. Lai received his Bachelor of Commerce degree from The University of Western Australia in April 1999. In February 2008, he was further awarded the degree of Master of Business Administration (MBA) jointly conferred by Fordham University in United States and the China Center for Economic Research at Peking University in Beijing, China.

# Biographical Details of Directors and Senior Management

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Mr. He Yi (“Mr. He”)

Mr. He, aged 53, has been appointed as an independent non-executive director of the Company on 1 July 2022. He has over 23 years of experience in the financial industry. He held various senior management roles in several banks in the PRC. He first joined Credit Agricole Indosuez in the PRC in 1994 and later served as the head of treasury of First Sino Bank in 1997. He then worked for the Australia and New Zealand Banking Group Limited as the deputy general manager in the PRC. From 2008 to 2012, he joined the Shanghai branch of Barclays Bank as the general manager. In 2012, he was appointed as the chief executive officer of Nomura China Bank. In January 2015, he founded Shanghai Yaoxin Investment Management Company Limited\* (上海堯信投資管理有限公司) and has been serving as an executive director and the general manager. He is also a certified public accountant in the PRC. Since May 2011, he has been serving as an independent non-executive director of Kai Yuan Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 1215). Since June 2016, he has also been appointed as an independent non-executive director of Sunshine Oilsands Ltd., the shares of which are listed on the Stock Exchange (stock code: 2012). He obtained a master’s degree in economics from Fudan University (復旦大學) in July 2001.

### Mr. Guo Yaoli (“Mr. Guo”)

Mr. Guo, aged 57, has been appointed as an independent non-executive director of the Company on 29 September 2022. He has more than 20 years of experience in the PRC legal profession. He first worked for the PRC government from 1993 to 1997. He then worked as a lawyer in various law firms in Beijing since 1999. Since June 2020, he has been employed as an independent director of Tianjin Ruixin Technology Co., Ltd. (天津銳新昌科技股份有限公司), the shares of which are listed on the Shenzhen Stock Exchange (stock code: 300828). Since November 2022, he has also been appointed as an independent non-executive director of Sheng Yuan Holdings Limited., the shares of which are listed on the Stock Exchange (stock code: 00851). He received both his Bachelor of Laws degree and Master of Laws degree from the China University of Political Science and Law in June 1993 and in January 2001, respectively.

### Mr. Bong Chin Chung (“Mr. Bong”)

Mr. Bong, aged 49, has been appointed as an independent non-executive director of the Company on 3 July 2023. He has over 10 years of experience in the accounting and finance field. Mr. Bong worked at PricewaterhouseCoopers from July 2001 to November 2004, with his last position as a senior associate. Since December 2004, Mr. Bong worked for Ernst & Young and he departed in May 2007 with his last position as a manager. From February 2008 to June 2011, Mr. Bong was employed by KPMG as a senior manager. Mr. Bong received his Bachelor of Commerce degree from The Flinders University of South Australia in April 1999. He is a Certified Practising Accountant of the CPA Australia since July 2004.

## SENIOR MANAGEMENT

### Mr. Chu Kin Ming (“Mr. Chu”)

Mr. Chu, aged 45, has been appointed as a company secretary of the Company on 15 April 2024. Mr. Chu is a fellow member of The Association of Chartered Certified Accountants. He is also a member of The Hong Kong Institute of Certified Public Accountants, The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (previously known as the Institute of Chartered Secretaries and Administrators). Mr. Chu obtained a degree in bachelor of arts in accountancy from the Hong Kong Polytechnic University in 2003 and a degree in executive master of business administration from The Chinese University of Hong Kong in 2022. Mr. Chu has extensive experiences in the field of auditing, accounting, financial management and company secretarial matters.

\* For identification purposes only

# Report of the Directors

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

## PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding. Its subsidiaries are principally engaged in (i) hotel operation and ancillary services; (ii) property investment, management and agency services; (iii) provision of financing services; (iv) securities trading and investment; (v) securities brokerage business; and (vi) asset management business; details of which are set out in Note 45 to the consolidated financial statements.

## RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 89 to 90.

## DIVIDEND

The Board does not recommend the payment of a final dividend for the year (2024: Nil).

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 200. This summary does not form part of the audited consolidated financial statements.

## BUSINESS REVIEW

A fair review of the Group's business and a discussion and analysis of the Group's performance during the year including the material factors underlying its results and financial position and the likely future developments of its business, as required by Schedule 5 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), is set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report. An analysis of the Group's performance using financial key performance indicators is provided in the section headed "Financial Review" of the "Management Discussion and Analysis" of this annual report.

### Principal Risks and Uncertainties

The Company has identified principal risks and uncertainties that the Group faces with respect to economic risks, business and strategic risk, financial risks, ESG risks and capital risks related to the Group's corporate structure. The Group's business, future results of operations and future prospects could be materially and adversely affected by those risks and uncertainties. The following highlights the principal risks and uncertainties of the Group and it is not meant to be exhaustive. There may be other risks and uncertainties which are not known to the Group or which may not be material now but turn out to be material in the future.

#### *Economic risks*

- A severe or prolonged downturn of economy.
- Negative effect on our operational, financing or investing activities due to inflation, fluctuations of interest rates and other measures relating to financial policies.

# Report of the Directors

## ***Business and strategic risk***

The risk of material adverse changes to the Group's business performance, development prospects and/or ability to deliver its strategy, caused by changes in the business, economic, competitive, regulatory, or political environment in which the Group operates.

## ***ESG risk***

Regarding for the Group's risk management and internal control systems are based, the Group is integrating ESG (environmental, social and governance) risks into its risk management and internal control systems to better manage enterprise-wide risks. Some of the ESG risks are of particular concern to the Group including climate change, energy consumption and waste management for environmental aspect; and community investment and supply chain management for social aspect. Such integration can provide additional strategic and operational leverage for the Group.

## ***Financial risk***

Details of financial risk are set out in Note 48 to the consolidated financial statements.

## ***Capital risk***

Details of capital risk are set out in Note 46 to the consolidated financial statements.

## **Compliance with Relevant Laws and Regulations**

During the Year, as far as the Directors are aware, there was no material non-compliance with applicable laws and regulations by the Group that has a significant impact on the Group's business and operations.

## **Relationships with Stakeholders**

Employees are regarded as the most important and valuable assets of the Group. Competitive remuneration packages and a sound performance appraisal system with appropriate incentives are provided and implemented to attract and motivate employees. In addition, to conform to the market standard, the Group regularly reviews the remuneration package of employees and makes necessary adjustments. Moreover, the Group understands the importance of maintaining good relationship with business partners is vital to achieve its long-term goals. Thus, senior management of the Group have kept good communication, promptly exchanged ideas and shared business update with them as and when appropriate. During the Year, there was no material and significant dispute between the Group and its business partners.

## **Environmental Policies**

The Group is committed to building an environmentally-friendly corporation that pays close attention to conserving natural resources. The Group strives to minimise its environmental impact by saving electricity and encouraging recycle of office supplies and other materials. In this Year, we have strived to maintain a stable level of electricity usage, reduce water consumption and adopt more environmentally friendly vehicles to facilitate the transition to a carbon-neutral future. In the future, we will continue to assess and embed ESG in our strategic plan and strive to play a leadership role in building a brighter and more sustainable future for society.

More information has been provided in the Environmental, Social and Governance Report on pages 46 to 82.

# Report of the Directors

## **PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES**

Details of movements in the property, plant and equipment and investment properties of the Group during the Year are set out in Notes 16 and 18 to the consolidated financial statements respectively.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the year ended 31 December 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any shares of the Company. As at 31 December 2025, the Company did not hold any treasury shares.

## **TAX RELIEF AND EXEMPTION**

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

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Company's Articles of Association and laws of the Cayman Islands.

## **RESERVES**

The Company's reserves available for distribution to shareholders as at 31 December 2025 amounted to approximately HKD420,981,000 (2024: HKD555,556,000).

Details of movements in the reserves of the Company and of the Group during the year are set out in Note 38 to the consolidated financial statements and the consolidated statement of changes in equity respectively.

## **DONATIONS**

No donations for charitable and other purposes were made by the Group during the year ended 31 December 2025 (2024: Nil).

## **MAJOR CUSTOMERS AND SUPPLIERS**

The aggregate revenue during the year attributable to the Group's five largest customers was 24% of the Group's total revenue, of which 9% was made to the largest customer.

The aggregate purchase during the year attributable to the Group's four largest suppliers was 13% of the Group's total purchase, of which 4% was made to the largest supplier.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's customer or suppliers during the year.

# Report of the Directors

## DIRECTORS

The Directors of the Company during the year and up to the date of this report were:

### Executive Directors

Ms. Wang Qian  
Mr. Liang Jian  
Mr. Yu Qingrui  
Mr. Su Wei  
Mr. Lai Long Wai

### Independent Non-Executive Directors

Mr. He Yi  
Mr. Guo Yaoli  
Mr. Bong Chin Chung

In accordance with the Company's Articles of Association, at each annual general meeting, one-third of the directors of the Company for the time being, or, if their number is not a multiple of three, then the number nearest to, but not less than one-third, shall retire from office by rotation.

## DIRECTORS' SERVICE CONTRACTS

None of the directors of the Company being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

## REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the Directors' remuneration are set out in Note 12 to the consolidated financial statements.

The emoluments of the senior management (other than the Directors) of the Group for the year ended 31 December 2025 fell within the following bands:

<b>Remuneration bands</b>	<b>Number of senior management</b>
Under HKD1,000,000	1

## UPDATES ON DIRECTORS' INFORMATION

Save for the above and in this annual report, there is no other information required to be disclosed in this report pursuant to Rule 13.51B(1) of the Listing Rules.

# Report of the Directors

## DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

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 or its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under 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**”) contained in the Listing Rules, were as follows:

### Long positions in the ordinary shares and the underlying shares of the Company

Name of Directors	Capacity	Number of shares interested	Percentage of Company's issued share capital
Lai Long Wai ( <i>Note</i> )	Interest of controlled corporation	50,316,589	16.69%
Yu Qingrui	Beneficial owner	133,511	0.04%

*Note:* These shares are held by China Clean Energy Technology Limited, which is wholly owned by Mr. Lai Long Wai, an executive Director.

Save as disclosed above, as at 31 December 2025, none of the directors or chief executive of the Company had registered an interest or short positions in the shares or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SHARE OPTION SCHEMES

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Company adopted a share option scheme (the “**Scheme 2012**”). Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 June 2021, the Scheme 2012 was terminated and a new share option scheme (the “**Scheme 2021**”) was adopted. The adoption of Scheme 2021 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2012 and shall continue to be valid and subject to the provisions of the Scheme 2012. The Scheme 2021 shall be valid and effective for a term of approximately 10 years commencing on the adoption date of the Scheme 2021 and will expire on 29 June 2031. The remaining life of the Scheme 2021 shall be approximately 5 years.

No share options were granted, exercised, lapsed or cancelled under the share option schemes of the Company during the Year.

As at each of 1 January 2025 and 31 December 2025, the Company did not have any outstanding share options.

The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under all share option scheme must not exceed 30% of the Shares in issue from time to time.

# Report of the Directors

## The total number of options available for grant

As at 1 January 2025, the total number of options available for grant under the scheme mandate limit of the Scheme 2021 was 11,609,549. As at 31 December 2025, the total number of options available for grant under the scheme mandate limit of the Scheme 2021 was 11,609,549.

## The total number of options available for issue

As at the date of this report, the total number of Shares available for issue by the Company under the Scheme 2021 was 11,609,549, representing approximately 3.85% of the total number of issued Shares (excluding treasury shares) as at the date of this report.

## The maximum entitlement of each participant under the Scheme 2021

The maximum number of Shares issued and to be issued upon exercise of the options granted and to be granted under the Scheme 2021 to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options under the Scheme 2021 to an eligible participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such eligible participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such eligible participant and his close associates (or his associates if the eligible participant is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the eligible participant, the number and terms of the options to be granted (and options previously granted to such eligible participant), and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

Further details of the share option schemes of the Company are set out in Note 39 to the consolidated financial statements.

## SHARE AWARD SCHEME

The Company adopted a share award scheme on 15 July 2015 (the "**Share Award Scheme**"). The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group.

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date of the Share Award Scheme. The Share Award Scheme had expired on 14 July 2025.

The eligible persons under the Share Award Scheme shall include employees, directors of the Company or of any its subsidiary, any holder of any securities issued by any member of the Group and any business or joint venture partner, contractor, agent, vendor, supplier, licensee and other persons which have contributed or will contribute to the growth and development of the Group.

# Report of the Directors

Pursuant to the Listing Rules and the terms of the Share Award Scheme, the maximum number of Awarded Shares (as defined under the Share Award Scheme) (the “**Share Award Scheme Mandate Limit**”) must not exceed 10% of the Shares in issue on the adoption date of the Share Award Scheme. As disclosed in the circular of the Company dated 30 April 2018 and the announcement of the Company dated 31 May 2018, the Share Award Scheme Mandate was refreshed by way of Shareholders’ approval at the annual general meeting held on 31 May 2018 and the Share Award Scheme Mandate Limit, i.e. the maximum number of Shares may be awarded under the Share Award Scheme, was 2,895,072 Shares (having taken into account the share consolidations as announced on 22 May 2020 and 15 December 2021), which represented approximately 1.25% of the issued share capital of the Company as at the date of the Annual Report. Notwithstanding the foregoing, the Company will not issue or grant any awarded shares under the Share Award Scheme which would result in the total number of the awarded shares together with shares which may be issued upon exercise of all outstanding share options granted but yet to be exercised under the share option schemes of the Company representing in aggregate over 30% of the Company’s shares in issue as at the date of such grant.

The maximum number of Shares which may be awarded to a selected person (the “**Selected Person**”) under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company of the date of the refreshed Share Award Scheme Mandate Limit.

The Board may select any eligible person for participation in the Share Award Scheme and determine the number of the awarded Shares to be awarded to the Selected Person. The Board is entitled to impose any conditions (including a period of continued service within the Group after the reference date and the vesting date(s)), as it deems appropriate with respect to the entitlement of the Selected Person to the awarded Shares. Unless otherwise determined by the Board, no consideration is payable by the Selected Person on application or acceptance of an award under the Share Award Scheme. As soon as practicable after the reference date, the Board shall cause the reference amount to be paid from the Company’s resources into the account or to the trustee to be held on trust for the relevant Selected Person(s) for the purchase of the awarded Shares on market at the then prevailing market prices.

Any awarded Shares and the related income thereof held in the account or by the trustee and which are referable to the Selected Person (as defined in the Share Award Scheme) shall vest in that Selected Person in accordance with the timetable and conditions as imposed by the Board at its absolute discretion, provided that the Selected Person remains at all times after the reference date and on the relevant vesting date(s) an Eligible Person of the Group (as defined in the Share Award Scheme).

The vesting period of the share awards shall be determined by the Board at the time of grant. In respect of the Selected Person who died or retired at his normal retirement date or earlier by agreement with the Group at any time prior to a vesting date, all the awarded Shares and the related income of the Selected Person shall be deemed to be vested on the date immediately prior to his death or retirement at his normal retirement date or earlier by agreement with the Group.

During the Year, no shares of the Company were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme (2024: Nil). No share award has been granted, vested, lapsed and cancelled during the Year (2024: Nil). The total number of awards available for grant under the scheme mandate limit of the Share Award Scheme as at 1 January 2025 and 31 December 2025 was 88,039 shares and nil, respectively. As at the date of this report, the total number of Shares available for issue by the Company under the Share Award Scheme was nil, representing 0% of the total number of issued shares (excluding treasury shares) as at the date of this report.

As at each of 1 January 2025 and 31 December 2025, the Company did not have any unvested awards under the Share Award Scheme.

As at 31 December 2025, no shares of the Company were held by the trustee of the Share Award Scheme (31 December 2024: Nil).

# Report of the Directors

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the sections “Share Option Schemes” and “Share Award Scheme” above and Note 39 “Share Option Scheme/Equity Settled Share-based Transactions” to the consolidated financial statements, at no time during the Year was the Company, its holding company, any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 31 December 2025, the following interests of more than 5% of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

### Long positions in the ordinary shares and the underlying shares of the Company

Name of Shareholder	Capacity	Number of Shares	Percentage of the Company's issued share capital
China Clean Energy Technology Limited (Note)	Beneficial owner	50,316,589	16.69%
Tan Jinkang	Beneficial owner	22,440,000	7.44%
Yip Chun Tat	Beneficial owner	21,960,000	7.28%
Chu Yuk Shun Joseph	Beneficial owner	44,888,310	14.89%
Liu Mingzhong	Beneficial owner	21,320,000	7.07%
Yang XuanZi	Beneficial owner	20,880,000	6.93%
Fang Wen Wen	Beneficial owner	19,143,000	6.35%
Sin Lik Man	Beneficial owner	23,000,000	7.63%

Note: China Clean Energy Technology Limited is wholly owned by Mr. Lai Long Wai, an executive Director and Mr. Lai Long Wai is deemed to have interests in the Shares held by China Clean Energy Technology Limited.

Save as disclosed above, the Company had not been notified of other relevant interests or short positions in the shares and underlying shares of the Company as at 31 December 2025 as required pursuant to section 336 of the SFO.

## DIRECTORS' INTERESTS IN SIGNIFICANT TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

There were no transactions, arrangements or contracts of significance in relation to the Company's businesses, to which the Company or any of the Company's subsidiaries was a party, subsisting at the end of the Year or any time during the Year, and in which a director of the Company or an entity connected with a director of the Company had, whether directly or indirectly, a material interest.

# Report of the Directors

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There were no contracts of significance (including contracts of significance for the provision of services) entered into between the Company or its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries during the Year.

## DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Mr. Yu Qingrui is a director of Smart Fish throughout the Year as well as holding 167,570,000 Pre-consolidated Shares in Smart Fish representing approximately 0.82% of the issued share capital of Smart Fish and Mr. Yu disposed all his interests in Smart Fish on 2 June 2025. Mr. Yu ceased to hold any interests in Smart Fish thereafter. The principal activities of Smart Fish are securities and futures dealing business, financial investment, property investments, money lending business and Chinese medicine clinic business. The Company and Smart Fish are separate listing entities run by separate and independent management. Mr. Yu Qingrui cannot personally control the Board and is fully aware of, and has been discharging, his fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and its shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, Smart Fish.

Save as disclosed above, none of the directors of the Company has any interests in any businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group that are required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

## CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Company has entered into the following transactions with its related or connected parties which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules.

### 1. Property Acquisition and the Assignment of Receivables

For details of the Property Acquisition and the Assignment of Receivables, please refer to the section headed "MATERIAL ACQUISITIONS AND DISPOSALS" in pages 17 and 18 of this report.

### 2) Loan agreement between Mr. Lai and the Company

On 27 October 2025, a loan agreement (the "**Rejoice Loan Agreement**") entered into between Rejoice Holdings Limited ("**Rejoice**"), a company wholly owned by Mr. Lai, as lender and the Company as borrower, Rejoice granted a loan facility in the amount of up to HK\$200,000,000 to the Company. Interest on the loan under the Rejoice Loan Agreement shall accrue at the rate equal to the Hong Kong Dollar Best Lending Rate as announced by the Hong Kong and Shanghai Banking Corporation Limited from time to time minus 1% per annum, payable in arrears from the drawdown date and payable in full on repayment date which is the date falling on the third anniversary of the drawdown date. The Rejoice Loan Agreement is fully exempted from disclosure requirements pursuant to Rule 14A.90 of Listing Rules given the Rejoice Loan Agreement is conducted on normal commercial terms or better and it's not secured by the assets of the Group.

Save for the above, the Company has not entered into any transactions with its connected parties which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules.

# Report of the Directors

## **RELATED PARTY TRANSACTIONS**

Details of material related party transactions entered into by the Company are set out in Note 44 to the consolidated financial statements. None of the related party transactions constitutes a connected transaction or continuing connected transaction that is required to be disclosed under Chapter 14A of the Listing Rules. The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in so far as they are applicable.

## **EMOLUMENT POLICY**

The Group remunerates its employees based on their performance, experience and prevailing market rate. Other employee benefits include provident fund scheme, share option scheme, share award scheme as well as discretionary bonuses. The determination of emoluments of the directors of the Company had taken into consideration of their respective experience, responsibilities in the Company and the prevailing market conditions.

## **MANAGEMENT CONTRACTS**

No contract concerning the management and administration of the whole or any substantial part of the Company's business was entered into or existed during 2025.

## **ANNUAL CONFIRMATION OF INDEPENDENCE**

The Company has received the annual confirmation of independence from each of the independence non-executive directors of the Company as required under Rule 3.13 of the Listing Rules. The Company considers that all independent non-executive directors of the Company are independent.

## **PERMITTED INDEMNITY PROVISION**

Pursuant to the Articles of Association of the Company, every Director shall be entitled to be indemnified by the Company out of the assets of the Company against all costs, charges, losses, damages and expenses which he/she may sustain or incur or about the execution and discharge of his/her duties or in relation thereto. The Company has arranged appropriate Directors' and Officers' liability insurance coverage for the directors and officers of the Company during the Year.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on information that is publicly available to the Company and within the knowledge of the directors of the Company, at least 25% of the Company's total issued ordinary share capital was held by the public as at the date of this report.

## **AUDIT COMMITTEE**

The Audit Committee of the Company has met the external auditor of the Company, Moore CPA Limited, and reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2025.

# Report of the Directors

## **AUDITOR**

Moore CPA Limited, the auditor of the Company, will retire and a resolution for its re-appointment as auditor of the Company will be proposed at the forthcoming annual general meeting of the Company.

On behalf of the Board

**Wang Qian**

*Director*

Hong Kong, 30 March 2026

# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintain high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to have a better understanding and evaluate and manage risks (including environmental, social and governance risks), and to safeguard the interests of its shareholders and to enhance the performance of the Group. The Board focuses on creating long-term sustainable growth for shareholders of the Company and delivering long-term values to all stakeholders of the Group.

The Company's corporate governance practices are based on the principles of good corporate governance set out in the Corporate Governance Code in the Appendix C1 of the Listing Rules (the "**CG Code**"). The Company has complied with all code provisions during the year ended 31 December 2025 as set out in the CG Code except for the following deviations:

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. During the year, Ms. Wang Qian was the Chairlady and the Company does not maintain the office of Chief executive officer and the duties of a chief executive officer has been taken up by other executive Directors and senior management of the Company. As such, the Board considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are comparable to those in the CG Code. The Company will issue a further announcement regarding the appointment of a new Chief Executive Officer at the appropriate time.

## BUSINESS MODEL AND STRATEGY

The Group's mission is to render premium customer service by adoption of flexible business model, strategy and prudential risk and capital management framework.

By recognising the importance of stakeholders at the Board level and throughout the Group, the Company strives to create values to the stakeholders through sustainable growth and continuous development as follows:

- Reliable, consistent and transparent communication with investors and stakeholders
- Building a health company culture
- Flexible, diverse, inclusive and open culture to attract and retain talent

To achieve the Company's goals, the Board and the management have played and will continue to play an active role in the Group's development of business model to strength the culture of the Group in serving customers well with high quality service; the communication with investors and stakeholders; the Group's business strategic drive for business expansion; the determination of the Group's risk appetite and tolerance levels; and the Group's setting of strategic goals, priorities and initiatives undertaken to motivate staff to achieve business and financial targets.

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

# Corporate Governance Report

## BOARD OF DIRECTORS

As at 31 December 2025, the Board comprised eight directors, six of which are executive directors, namely Mr. Liang Jian, Ms. Wang Qian, Mr. Yu Qingrui, Mr. Su Wei, Mr. Lai Long Wai; and three are independent non-executive directors, namely Mr. He Yi, Mr. Guo Yaoli and Mr. Bong Chin Chung.

Biographical details of the directors are set out under the section “Biographical Details of Directors and Senior Management” on pages 22 to 24 of this report. Save as disclosed in the section, to the best knowledge of the directors, the Board is not aware of any financial, business, family or other material/relevant relationships among members of the Board.

The Board is responsible for the leadership and control of the Group, overseeing the Group’s businesses, strategic decisions and performance, evaluating the performance of the Group and supervising the management. In addition, the Board reserves the authority to make final decisions for all major matters of the Company, including internal control and risk management, dividend payout, material transaction, preparation and release of financial information, appointment of directors, and other significant financial matters. The Board is also responsible for performing the corporate governance duties set out in code provision A.2.1 of the CG Code. In order to enhance efficiency, the Board has delegated the day-to-day responsibilities and operations to the executive directors of the Company and senior management of the Group.

Appropriate insurance cover has been arranged by the Company in respect of potential legal action against its directors and officers arising out of corporate activities of the Group.

## ATTENDANCE OF DIRECTORS AND COMMITTEE MEMBERS

The following table summaries the attendance by individual director and committee member at meetings in 2025:

	Number of Board meetings attend/held	Number of Audit Committee’s meetings attend/held	Number of Remuneration Committee’s meetings attend/held	Number of Nomination Committee’s meetings attend/held	Number of annual general meetings attend/held	Number of extraordinary general meetings attend/held
<b>Executive Directors</b>						
Ms. Wang Qian	5/5	–	–	–	1/1	1/1
Mr. Liang Jian	3/5	–	–	–	1/1	0/1
Mr. Yu Qingrui	4/5	–	–	–	1/1	1/1
Mr. Su Wei	5/5	–	–	–	1/1	1/1
Mr. Lai Long Wai	5/5	–	1/1	2/2	1/1	1/1
<b>Independent Non-Executive Directors</b>						
Mr. He Yi	5/5	3/3	1/1	2/2	1/1	1/1
Mr. Guo Yaoli	5/5	3/3	1/1	2/2	1/1	1/1
Mr. Bong Chin Chung	5/5	3/3	1/1	2/2	1/1	1/1

# Corporate Governance Report

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

During the Year, Ms. Wang Qian was appointed as the chairlady and the Company does not maintain the office of chief executive officer and the duties of a chief executive officer has been taken up by other executive Directors and senior management of the Company. The Company will issue a further announcement regarding the appointment of a new Chief Executive Officer at the appropriate time

## **INDEPENDENT NON-EXECUTIVE DIRECTORS**

All the independent non-executive directors are appointed with no specific term and all are subject to re-election at least once every three years under the Company's Memorandum and Articles of Association.

The independent non-executive directors are professions or executive of high caliber with diversified industry expertise and bring a wide range of skills and experience to the Group. They bring to the Group independent judgment on issues of strategy, performance, key appointments, environmental protection, risk management and internal control through their contribution at Board meetings, thus safeguarding the interests of shareholders and the Company as a whole.

The Company has received from each of the independent non-executive directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive directors are independent in accordance with the independence guidelines set out in the Listing Rules.

## **APPOINTMENT AND RE-ELECTION OF DIRECTORS**

The appointment of a new director is made on the recommendation of the Nomination Committee and the Board and by the shareholders of the Company in a general meeting.

All directors appointed by the Board are subject to re-election at the next following general meeting or the next following annual general meeting of the Company after their appointments. All directors, including the independent non-executive directors shall retire from office by rotation at least once every three years as referred to the Company's Memorandum and Articles of Association which provides that at each annual general meeting one third of the directors of the Company for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation.

## **DIRECTORS' TRAININGS**

Induction package are provided to newly appointed director to ensure that each director of the Company is familiar with the role of the Board, the legal and other duties and responsibilities as director of the Company as well as the business and corporate governance practices of the Group. According to the code provision C.1.4 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

# Corporate Governance Report

## BOARD COMMITTEES

The Board has established the Audit Committee, the Remuneration Committee and the Nomination Committee with defined terms of reference (available on the websites of the Company and the Stock Exchange), which are of no less exacting terms than those set out in the code provisions of the CG Code.

### Audit Committee

The Audit Committee was established on 1 November 2011 and currently consisted of three independent non-executive directors: Mr. He Yi (Chairman), Mr. Guo Yaoli and Mr. Bong Chin Chung. Mr. He Yi is possessing the appropriate professional accounting and financial management expertise as required under the Listing Rules.

The major roles and functions of the Audit Committee are:

1. to monitor and assess the integrity and accuracy of the financial reporting disclosures, respective accounting policies, significant accounting judgments and the requirements in respect of the interim and annual financial statements;
2. to oversee the Company's relationship with the external auditors including (but not limited to) making recommendations to the Board on their appointment, re-appointment and removal, the approval of their remuneration and their terms of engagement, and assessing their independence and objectivity;
3. to discuss with the external auditor the nature and scope of the audit before the audit commences, assess the external audit process, discuss issues arising from the interim review and annual audit, and any matters the external auditor may wish to discuss;
4. to review the effectiveness of the internal control over the financial reporting of the Group; and
5. to review the Company's financial controls, the internal audit function, the overall governance, risk management and internal control systems.

During the Year, the Audit Committee held three meetings. At the meetings, the Audit Committee met the external auditor and reviewed the audited financial statements for the financial year ended 31 December 2024 and the interim report for the six months ended 30 June 2025. The Audit Committee also considered that the internal audit function was effective. The Audit Committee also reviewed the Group's accounting policies and practices, the Listing Rules and statutory compliance, risk management, internal controls and financial reporting matters. It keeps to review the independence and objectivity of the Company's external auditors and the non-audit services provided by the Company's external auditors to the Group.

### Remuneration Committee

The Remuneration Committee was established on 1 November 2011 and currently consisted of one executive director, namely Mr. Lai Long Wai and three independent non-executive directors: Mr. Guo Yaoli (Chairman), Mr. He Yi and Mr. Bong Chin Chung.

The major roles and functions of the Remuneration Committee are as follows:

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of the directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; and
2. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

# Corporate Governance Report

During the Year, the Remuneration Committee held two meetings and resolved to review and approve the remuneration policy and the remuneration packages of the directors and senior management, to assess the performance of the executive directors, to approve the terms of the executive directors' service contracts. No director is involved in deciding his/her own remuneration.

## **Nomination Committee**

The Nomination Committee was established on 20 March 2012 and currently consisted of two executive director, namely Ms. Wang Qian and Mr. Lai Long Wai and three independent non- executive directors: Mr. He Yi (Chairman), Mr. Guo Yaoli and Mr. Bong Chin Chung.

The major roles and functions of the Nomination Committee are as follows:

1. to review the structure, size and diversity (including gender, age, cultural, educational background, professional experience, skills and know-how) of the Board at least annually, assist the Board in maintaining a board skills matrix and make recommendations to the Board regarding any proposed changes;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships;
3. to assess the independence of independent non-executive directors; and
4. to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors.

## **Nomination Policy**

The nomination policy of the Company (the "**Nomination Policy**") sets out the key selection criteria and procedure for the appointment of any proposed candidate to the Board or re-appointment of any existing member of the Board.

### *Key selection criteria*

In evaluating the suitability of a proposed candidate, the Nominating Committee shall consider the following factors, namely the potential contribution the candidates would bring to the Board:

- (i) character and integrity;
- (ii) professional qualifications, skills, knowledge and relevant experience or accomplishment appropriate to the nature of the Company's business;
- (iii) commitment in respect of available time, interest and attention to the Company's business;
- (iv) diversity perspectives, including but not limited to educational background, professional experience, industry expertise, knowledge and skills;
- (v) compliance with the criteria of independence under Rule 3.13 of the Listing Rules, where the candidate is proposed to be appointed as an independent non-executive directors; and
- (vi) any relevant factors deemed appropriate by the Nomination Committee from time to time.

# Corporate Governance Report

The procedure of appointing and re-appointing a director is summarized as below:

- The Nomination Committee shall invite nominations of suitable candidate(s) through channels (including but not limited to job hunter, advertisement, network of the management or the Board) for consideration by the Nomination Committee.
- For the appointment of any proposed candidate to the Board, the Nomination Committee shall evaluate the proposed candidate(s) based on the selection criteria of this policy and undertake adequate due diligence in respect of such proposed candidate(s), and make recommendation for the Board's consideration and approval.
- For the re-appointment of retiring directors, the Nomination Committee shall review the director's overall contribution and performance and consider the selection criteria of this policy, and make recommendation to the Board and/or the shareholders of the Company for their consideration in connection with the re-election of retiring directors at general meetings.
- The Board will convene a meeting to consider the appointment or re-appointment of the proposed candidates as a director.

During the Year, the Nomination Committee held two meetings and resolved to review the structure, size, composition and diversity of the Board and the qualifications for all directors and senior management of the Group; assess the independence of the independent non-executive directors; nominate the re-appointment of retiring directors to the shareholders of the Company for approval; and nominate Ms. Wang Qian as the member of the Nomination Committee so as to fulfill the board diversity requirement pursuant to the Listing Rules.

## ***Board Diversity Policy***

The Board has adopted a board diversity policy since 1 September 2013 which sets out the approach to achieve diversity on the Board. A summary of the policy together with the measurable objectives set for implementing the policy, and the progress made towards achieving those objectives are disclosed below.

### *(i) Summary of the Board Diversity Policy*

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. When determining the composition of the Board, the Company will consider board diversity in terms of, among other things, gender, age, cultural, educational background, professional experience, skills and know-how. The Board consists of a diverse mix of Board members in terms of age, gender and tenure of office. As at 31 December 2025, the Board has one female director out of nine directors and the directors come from a variety of backgrounds and have a diverse range of business, financial services and professional experience. All Board appointments will be based on merits, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

### *(ii) Measurable Objectives*

Selection of candidates for Board membership will be based on a range of diversity perspectives, including but not limited to gender, age, cultural, educational background, professional experience, skills and know-how.

### *(iii) Monitoring and Reporting*

The Board and Nomination Committee will review the effectiveness of the board diversity policy and monitor the implementation of the board diversity policy annually. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

# Corporate Governance Report

## ***Workforce Diversity***

The Company adopted a workforce diversity policy on 30 March 2026 and it considers relevant factors in the recruitment and selection of key management and other personnel, and strives to maintain gender diversity. As at 31 December 2025, the male and female of all staff (including the senior management) of the Company accounted 40% and 60% respectively. The Company will continue to maintain gender diversity among all its staff as the goal and review its policies on employee recruitment and management in a timely manner in accordance with the Company's business development and needs.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND RELEVANT EMPLOYEES**

The Company has adopted the Model Code as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the existing directors of the Company, all of them confirmed that they have complied with the required standards set out in the Model Code during the year ended 31 December 2025.

The Company also adopted a code on no less exacting terms than the Model Code to regulate dealings in the securities of the Company by certain employees of the Group who are considered to be likely in possession of inside information in relation to the Company or its securities.

## **AUDITOR'S REMUNERATION**

Approximately HKD1,400,000 and HKD678,000 in relation to the audit service and non-audit related services respectively provided by the Company's auditor, were charged to the profit or loss for the year ended 31 December 2025. The non-audit services were mainly related to agreed-upon procedures on interim results, provision of internal control review and environmental, social and governance reporting support services, and acting as the reporting accountant for various circulars of the Company.

## **CORPORATE GOVERNANCE FUNCTIONS**

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

Up to the date of this report, the Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, the Company's compliance with the CG Code and the disclosures in this Corporate Governance Report except for the deviations from code provision C.2.1 of the CG Code as detailed in the paragraphs headed "Corporate Governance Practices".

# Corporate Governance Report

## **RISK MANAGEMENT AND INTERNAL CONTROL**

### **Goals and Objectives**

Effective risk management is important to the Group's achievement of its strategic goals. The Group manages risk across multiple risk domains, including but not limited to business and strategic risk, economic risk, financial risk, capital risk and ESG risk as set out in the "Principal risks and Uncertainties" section under Management Discussion and Analysis. The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Risk management policy has been established to formalise the risk management of the Group, to build up a standard and effective risk management system, improve the ability of risk prevention, so as to ensure the Group is operating in a safety and steady environment, the operation management level could be increased and the Group's operational strategy and target could be achieved. The current practices will be reviewed and updated regularly to follow the latest practices in corporate governance.

### **Main Features of the Risk Management and Internal Control Systems**

To ensure the efficient and effective operation of the business, relevant internal control procedures have been set up for safeguarding assets against unauthorised use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. These procedures are monitored and reviewed from time to time and updated where necessary.

The processes used to identify, evaluate and manage significant risks by the Group are summarised as follows:

#### ***Risk Identification***

- Identifies risks that may potentially affect the key processes of the Group's business and operations.

#### ***Risk Assessment***

- Assesses the risks identified by using the assessment criteria developed by the management; and
- Considers the impact on the business and the likelihood of their occurrence.

#### ***Risk Response***

- Prioritises the risks by comparing the results of the risk assessment; and
- Determines the risk management strategies and internal control processes to prevent, avoid or mitigate the risks.

# Corporate Governance Report

## ***Risk Monitoring and Reporting***

- Performs ongoing and periodic monitoring of the risk and ensures that appropriate internal control processes are in place;
- Revises the risk management strategies and internal control processes in case of any significant change of situation; and
- Reports the results of risk monitoring to the management and the Board regularly.

With a view to manage the Group's business and operational risk and to ensure smooth operation, the Group outsourced the internal audit function to the independent advisor (the "**Independent Advisor**") during the Year, to assist the Board and the Audit Committee in on-going monitoring of the risk management and internal control systems of the Group.

The periodic reviews covered all material controls, including financial, operational and compliance controls of the Group. During the year ended 31 December 2025, the Independent Advisor assisted the Board in evaluating (i) the various components of the internal control system including control environment, risk assessment, control activities, information and communication, and monitoring activities; (ii) the internal control procedures for the fixed asset management processes for hotel operation and ancillary business; and (iii) the revenue and accounts receivable processes for hotel operation and ancillary business. Appropriate recommendations for further enhancing the internal control system have been adopted. The internal control review report of the Company prepared by the Independent Advisor has been presented to and reviewed by the Audit Committee and the Board. The Board considers that the Group's internal control system for the Period and up to the date of this Annual Report is effective and adequate.

## **ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY**

Anti-corruption policy has been established which set out the Company's commitment, the scope of the policy and the reporting channels. The Group does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. The anti-corruption Policy forms an integral part of the Group's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Board acknowledges that it is responsible for implementing the policy and reviewing the effectiveness of the policy on an ongoing basis. All the employees are informed and expected to act with integrity, impartiality and honesty. The Group regularly organises and arranges various training on anti-corruption for the directors and employees of the Group. The details of the policy are set out in the "Environmental, Social and Governance Report" section below.

Whistleblowing policy has been established for our employees and the relevant third parties (e.g. customers, suppliers, creditors and debtors) who deal with the Group to raise concerns in confidence about suspected misconducts, malpractices or fraudulent activities relating to the Group. All employees and the relevant third parties of the Group are encouraged to report material risk issues or transactions to higher authorities pursuant to the whistleblowing policy. The whistleblowing policy is independent of management and the identity of the whistleblower will be treated with the strictest confidence. The Board acknowledges that it is responsible for implementing the policy and reviewing the effectiveness of the policy on an ongoing basis.

# Corporate Governance Report

## **DIVIDEND POLICY**

The Board has adopted a dividend policy which sets out the principles and guidelines of the Company in relation to the distribution of dividend to its shareholders. The Company will distribute dividends subject to the distributable profits in the financial statements prepared in accordance with the Company Law of Cayman Islands, HKFRSs and Hong Kong Accounting Standards and also to the provisions of the Company's Memorandum and Articles of Associations as well as all applicable laws.

When considering the payment of any dividends, the Board will take into account of the financial results, shareholders' interests, general business conditions and strategies, capital requirements, contractual restrictions on the payment of dividends by the Company to its shareholders or by its subsidiaries to the Company, taxation consideration, possible effects on the Company's creditworthiness, statutory and regulatory restrictions and any other factors may deem relevant. The Board will review the dividend policy of the Company as appropriate from time to time.

## **DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. 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 the 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.

## **INVESTOR RELATIONS AND SHAREHOLDERS COMMUNICATION POLICY**

The Board recognises the importance of good communications with its shareholders and investors. The Board has adopted a shareholders communication policy setting out the principles of the Company in relation to shareholders' communications, with the objective of ensuring that its communications with the shareholders are timely, transparent, accurate and open. The Company continues to enhance relationships and communication with its investors and shareholders of the Company and is committed to a policy of open and timely disclosure of corporate information to its shareholders and investment public. The annual general meetings of the Company are the primary forum for communication by the Company with its shareholders and for shareholders participation. At the annual general meeting of the Company, the directors of the Company (or their delegates as appropriate) are available to meet shareholders and answer their enquires. The detailed procedures of conducting a poll are explained to shareholders at the commencement of the general meetings to ensure that shareholders are familiar with such procedures.

The Company updates its shareholders on its latest business developments and financial performance through its annual and interim reports, announcements and circulars. The corporate website of the Company ([www.fw-holdings.com](http://www.fw-holdings.com)) has provided an effective communication platform to the public and the shareholders. The Board will review the effectiveness and monitor the implementation of the shareholders communication policy annually. The Board considers the shareholders' communication policy conducted during the year 2025 was adequate and effective.

# Corporate Governance Report

## **Procedures for Shareholders to Convene an Extraordinary General Meeting**

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 can convene an extraordinary general meeting pursuant to Article 64 of the Company's Memorandum and Articles of Association. For proposing resolution at the general meeting, shareholders should submit it in writing to the directors or the company secretary with details. If the directors of the Company do not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionists themselves may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the directors of the Company, and all reasonable expenses incurred by the requisitionists as a result of the failure of the directors of the Company shall be reimbursed to them by the Company. The Board welcomes views and questions from the shareholders who may at any time send their enquiries and concerns to the Board by post, email or facsimile. The details of contact are as follows:

Address: Room 10, 27/F  
C C Wu Building  
302-308 Hennessy Road  
Wan Chai  
Hong Kong

Fax number: (852) 2311-7738

Email: [info@fw-fh.com](mailto:info@fw-fh.com)

## **Procedures for Shareholders to Put Forward Proposals at Shareholders' Meeting**

The Board is not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Memorandum and Articles of Association and the Companies Law of the Cayman Islands. Shareholders of the Company who wish to put forward proposals at general meetings may refer to the preceding paragraph to make written requisition to require the convening of an extraordinary general meeting of the Company.

## **CONSTITUTIONAL DOCUMENTS OF THE COMPANY**

During the year ended 31 December 2025, there was no significant change in the Company's constitutional documents.

# Environmental, Social and Governance Report

## INTRODUCTION

The Board is pleased to present the Environmental, Social and Governance report (the “**ESG Report**”) of the Group in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) as contained in Appendix C2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The Group is committed towards sustainability and understands the importance of sustainable development of its business and community. The ESG Report discloses the Group’s policies and practices for its commitment to sustainable development. As a platform for communication with all stakeholders, the ESG Report also makes responses to the major expectations of all stakeholders in efforts to facilitate mutual understandings.

Information relating to the Group’s corporate governance practices has been set out in the Corporate Governance Report of this annual report.

The Board acknowledges its responsibilities in preparing and issuing this report, including formulating overall ESG strategy, identifying ESG-related risks, implementing internal controls, supervising stakeholder engagement and materiality assessment and prioritizing matters concerned by our Group and our stakeholders in accordance to their values and importance.

## STATEMENT FROM THE BOARD

In the midst of a complex business environment, the Group devised counter measures and explored new business opportunities. We are proud that our employees were able to uphold the core values of providing the high quality services and products to our customers despite these challenging times. We appreciate the continued commitment of all our employees as well as partners in giving back to the community and supporting our customers.

The Board of Directors actively oversees ESG issues, ensuring that sustainability principles are integrated into our business strategy. In 2025, the Group actively upheld its high standard sustainability principles across all business lines by regularly reviewing of the ESG internal controls and continuously applying ESG risk management.

The Group established environmental related key performance indicator to gauge the effectiveness of the current policies and to identify areas for improvement. The Group also works closely with partners and other stakeholders to promote environmental awareness.

Going forward, the Group will focus on our green environmental strategy and explore new ESG opportunities. The Board will regularly review progress against our ESG goals and targets, ensuring alignment with our business objectives. We look forward to playing a leading role in building a brighter and more sustainable future for society.

# Environmental, Social and Governance Report

## REPORTING PRINCIPLE

**Materiality:** This ESG report disclosed: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. For detail process to identify and the criteria for the selection of material ESG factors, please refer to section "Materiality Assessment".

**Quantitative:** ESG data are presented numerically to enable comparability against our previous year's performance, market standards and our peers. Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. For the methodologies, assumptions, calculation tools used and source of conversion factors used, please refer to "Environmental Aspect" and "Social Aspect".

**Balance:** This report strives to achieve objective, fair and truthful disclosure and reflection of the Group's achievements and practices in the environment and social dimensions in 2025, and also the dilemmas encountered and improvement measures with a sense of responsibility.

**Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. This report follows a consistent range of statistics and the statistics scope of 2025 corresponds with that in 2024.

## SCOPE OF REPORT

The scope of the ESG Report mainly focuses on the Group's principal activities during 1 January 2025 to 31 December 2025 (the "**Reporting Period**"), which is in (i) property investment, management and agency services; (ii) hotel operation and ancillary business; (iii) securities trading and investment; (iv) provision of financing services; (v) securities brokerage business and (vi) asset management. In setting the reporting boundary, the board of directors has performed internal analysis on an annual basis and identified the major operation in Hong Kong and major operations located in Shanxi of the People's Republic of China (the "**PRC**") to include in the ESG Report.

Unless otherwise stated, the information compiled in this ESG Report covers the environmental and social information and data of the main operation located in Hong Kong and Shanxi of the PRC, the disclosure of systems, policies, and compliance with laws and regulations is made on a Group-wide basis. The Group has compiled KPI, as shown in this ESG Report and supplemented by notes for benchmarking purposes. The Group will continue to assess the key ESG aspects of the different businesses to determine whether they are required to be included in the ESG Report.

The information presented in the ESG Report included our Hong Kong office and PRC office.

## STAKEHOLDERS ENGAGEMENT

Our sustainability framework revolves around identifying the key material ESG topics within our business operations which is conducted through our stakeholder engagement activities. We define stakeholders based on their relationship with the Group, the extent to which they are impacted by our business operations, and the degree that they affect our ability to reach our business targets.

The Group believes that listening to and understanding the opinions of stakeholders will provide a solid foundation for the sustainable development of the Group. In this regard, the Group actively explores various channels to maintain good communication with stakeholders including but not limited to shareholders, employees, customers, suppliers and business partners, local communities, government and regulatory bodies, to enhance the stakeholders' understanding of the development and operational policies, and to provide more opportunities for them to put forward suggestions so that the Group can provide them with timely and effective feedback regarding their concerns. This approach ensures that the Group can maintain a long-lasting relationship with our stakeholders and achieve mutual benefits.

# Environmental, Social and Governance Report

Stakeholders	Main Interests and Concerns	Communications Channels	
Internal stakeholders	Shareholders	<ul style="list-style-type: none"> <li>Information disclosure and transparency</li> <li>Financial stability</li> <li>Return on investment</li> </ul>	<ul style="list-style-type: none"> <li>General meetings</li> <li>Annual and interim reports</li> <li>Official website</li> <li>Press release</li> </ul>
	Employees	<ul style="list-style-type: none"> <li>Career development opportunities</li> <li>Employees' remuneration package and benefits</li> <li>Health and safety of work environment</li> </ul>	<ul style="list-style-type: none"> <li>Company events and activities</li> <li>Internal meetings</li> <li>Performance appraisal</li> </ul>
External stakeholders	Customers	<ul style="list-style-type: none"> <li>Quality products and services</li> <li>Customer satisfaction and privacy measure</li> <li>Protect the rights of customers</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer service hotline</li> <li>E-mails</li> </ul>
	Suppliers and business partners	<ul style="list-style-type: none"> <li>Long-term cooperation</li> <li>Supplier's grading mechanism</li> <li>Compliance with rules and regulation</li> </ul>	<ul style="list-style-type: none"> <li>Conferences, telephone calls</li> <li>Procurement meeting</li> <li>Annual supplier performance review</li> </ul>
	Local communities	<ul style="list-style-type: none"> <li>Corporate social responsibilities</li> <li>Community interaction</li> <li>Carbon footprint</li> <li>Social welfare</li> </ul>	<ul style="list-style-type: none"> <li>Community events</li> <li>Official website</li> <li>Charitable and volunteering activities</li> </ul>
	Government and regulatory bodies	<ul style="list-style-type: none"> <li>Compliance with the laws and regulations</li> <li>Promote regional economic development and employment</li> <li>Contribution to the "net-zero" climate change goal</li> </ul>	<ul style="list-style-type: none"> <li>Consultations</li> <li>Institutional visits and inspections</li> <li>Information submission</li> <li>E-mails</li> </ul>

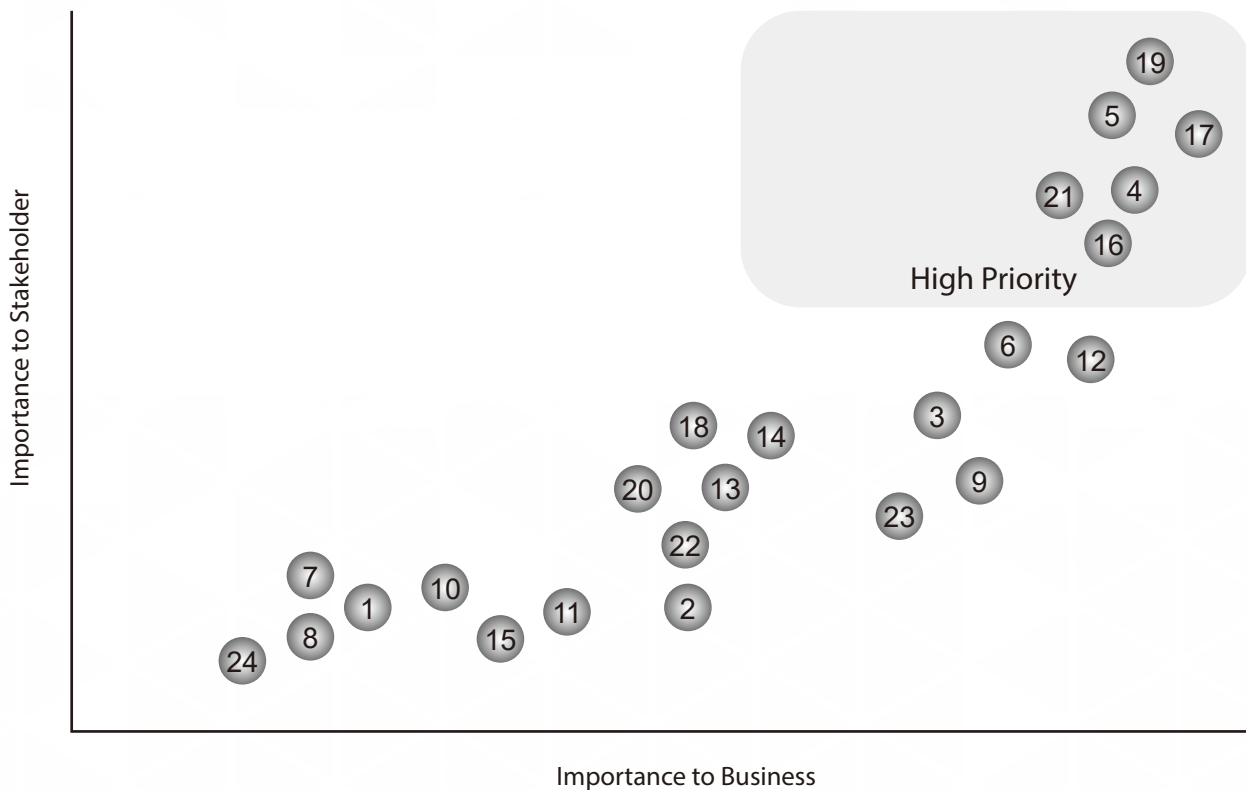
# Environmental, Social and Governance Report

## MATERIALITY ASSESSMENT

In order to enhance our understanding of stakeholder's perspective on the Group's ESG performance and sustainability strategy, the Group identified ESG issues that are critical to the Group and stakeholders through materiality survey. Based on its actual business activities and the industry characteristics, the Group identified and determined 24 environmental, social and governance related issues and invited both internal and external stakeholders to express their opinion on such 24 issues in terms of materiality. After integrating the opinions from the stakeholders with the sustainable development goals of the Group, the management of the Group summarized the issues in priority order and prepared the materiality matrix.

The following matrix states all related issues which are material to the stakeholders, whilst the results shown on the top-right area represent the issues that are more significant for the Group in formulating future environmental, social and governance plans and objectives, aiming to create sustainable value for stakeholders.

### Materiality Assessment Matrix



# Environmental, Social and Governance Report

Item	ESG Topic	Item	ESG Topic
1.	Air emissions	13.	Employee development and training
2.	Greenhouse gas emissions	14.	Preventing child and forced labour
3.	Waste management	15.	Environmental risks and social risks of the suppliers
4.	Energy management	16.	Selection and monitoring of suppliers
5.	Water management	17.	Product and service quality
6.	Use of materials	18.	Environmentally preferable products and services
7.	Mitigation measures to protect environment and natural resources	19.	Customer satisfaction
8.	Climate change resilience	20.	Data protection and cybersecurity
9.	Employee remuneration, benefits and rights	21.	Intellectual property protection
10.	Diversity, equality, and inclusive	22.	Responsible marketing and advertising
11.	Cultivation of local employment	23.	Business ethics
12.	Occupational health and safety	24.	Community support

The top issues that stakeholders are the most concerned are positioned in the above ESG topic table in descending order. In 2025, the key ESG areas of focus on were customer satisfaction, water management, product and service quality, energy management, intellectual property protection, and selection and monitoring of suppliers.

## STAKEHOLDERS' FEEDBACK

The Group values the feedbacks made by the stakeholders for future improvements. For any comments about this ESG Report or suggestions in enhancing our sustainability performance, please feel free to contact the Group via:

E-mail: info@fw-holdings.com  
 Website: http://www.fw-holdings.com  
 Address: Room 2710, 27th Floor, Integrated Centre,  
 302-308 Hennessy Road,  
 Wan Chai, Hong Kong  
 Telephone: (852) 2311 7728

# Environmental, Social and Governance Report

## A. ENVIRONMENTAL ASPECT

The Group strictly adheres to laws and regulations that have material impacts on the development of the Group, such as the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法), the Law of the People's Republic of China on Environmental Impact Assessment (中華人民共和國環境影響評價法), the Law of the People's Republic of China on Prevention and Control of Water Pollution (中華人民共和國水污染防治法), the Law of the People's Republic of China on Prevention and Control of Atmospheric Pollution (中華人民共和國大氣污染防治法), and the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste (中華人民共和國固體廢物污染環境防治法).

We are fully aware of our responsibilities with regard to environmental protection and sustainable development. To align our environmental goal with our nations, our target is to achieve peak emission by 2030 and achieve net zero by 2060. The Group regularly reviews KPIs to ensure the alignment of national goal, if any significant fluctuations occur, we will find out the reason and formulate relevant policies to fix the deviation. Starting with the small things, such as the use of electrical appliances, water conservation, paperless office and vehicles management, we have made specific regulations on daily behaviors of our employees to effectively reduce the use of water, electricity, paper and gasoline, and reduce energy consumption; at the same time, we strengthen the awareness of energy conservation and consumption reduction among all employees, which we believe it will help to develop good habits of conservation and environmental protection to all employees and laying a solid foundation for the sustainable development of the Group.

### A1 Emissions

The Group's air emissions mainly arises from the use of vehicles. The emissions data for the Reporting Period are presented in below together with comparative figures of preceding period:

**Table 1: The Group's Total Air Emissions by Category in 2024 and 2025**

Air Emissions <sup>1</sup>	Unit	2024	2025
Nitrogen oxides (NO <sub>x</sub> )	kg	99.98	<b>88.25</b>
Sulphur oxides (SO <sub>x</sub> )	kg	0.25	<b>2.62</b>
Particulate matter (PM)	kg	9.35	<b>8.07</b>

<sup>1</sup> The calculation of exhaust gas emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.

# Environmental, Social and Governance Report

## ***Waste Management***

During the Reporting Period, the Group did not generate hazardous waste; as for non-hazardous waste, it is mainly food waste and paper waste. Due to the expanded scope of business, which includes hotel operation and ancillary business, catering and cleaning service and property management, we have generated a total of 68.04 tonnes of non-hazardous waste, resulting in an intensity of 0.12 tCO<sub>2</sub>e per employee.

In order to minimize the environmental impacts from non-hazardous waste generated by our business operations, the Group has implemented measures to manage different types of waste and launched different waste reduction initiatives in different working areas.

- Setting preference in using double-sided printing;
- Trays are also placed to collect single-sided used papers for reuse;
- Make good use of recycling bins;
- Electronic corporate information (including annual reports, interim reports, meeting notices, circulars and proxy forms) issued to our shareholders; and
- Employees should consider communicating in electronic means or documents instead of using print-out copies.

The Group was not aware of any non-compliance with applicable laws and regulations related to emissions, discharges into waste and land, generation of hazardous and non-hazardous waste including Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) during the Reporting Period.

# Environmental, Social and Governance Report

## A2 Use of Resources

### A2.1 Energy Consumption

With the office-based operation, the Group's major energy consumption were sourced from purchased electricity and natural gas. During the Reporting Period, the Group's energy consumption performance is as follows:

**Table 2: The Group's Energy Consumption by Type in 2024 and 2025**

<b>Energy Consumption<sup>1, 2</sup></b>	<b>Unit</b>	<b>2024</b>	<b>2025</b>
Electricity	kWh	2,867,542.00	<b>3,703,481.13</b>
Diesel oil	kWh	42,063.75	<b>9,943.31</b>
Unleaded petrol	kWh	121,151.76	<b>1,719,035.08</b>
Natural gas	kWh	3,450,066.70	<b>7,413,934.12</b>
Oils vegetable (biodiesel)	kWh	589,578.78	<b>468,125.74</b>
Intensity of total energy consumption	kWh/no. of employees	11,794.82	<b>22,410.61</b>

<sup>1</sup> The increased was attributed to the full-year operation of a newly opened hotel, which commenced soft opening in July 2024.

<sup>2</sup> The calculation of energy is based on the emission factor taken from "How to prepare an ESG Report Appendix 2: Reporting Guidance on Environmental KPIs" by HKEx.

# Environmental, Social and Governance Report

Upon reviewing each year's energy consumption rate, the Group strives to further reduce energy consumption by adopting the following energy-saving measures:

Objectives	Energy-saving Measures
Raise employees' awareness on energy conservation	<ul style="list-style-type: none"> <li>• Notices posted around the working area to remind employees</li> </ul>
Improve efficiency in using energy	<ul style="list-style-type: none"> <li>• Indoor room temperatures should be maintained between 24°C – 26°C</li> <li>• Air filters are cleaned or replaced regularly by professional technicians to maximize cooling efficiency</li> <li>• Electrical appliances with high energy efficiency preferred over traditional models</li> </ul>
Conserve energy consumption rate	<ul style="list-style-type: none"> <li>• Switch off the computers after working hours</li> <li>• Lights and other facilities should also be switched off after use</li> <li>• Investigate unexpected high consumption of energy</li> </ul>

## A2.2 Water Consumption

The Group monitors and conserves our water consumption rate in order to improve the water use efficiency while we did not face any issue in sourcing water. Water consumption data are not available to the individual tenants in the Hong Kong office since it is directly managed by the building management office. Water consumption in PRC offices were only accounted for as shown below:

**Table 3: The Group's Total Water Consumption by Intensity in 2024 and 2025**

Water Consumption	Unit	2024	2025
Total water consumption <sup>1</sup>	m <sup>3</sup>	34,400	<b>146,953</b>
Intensity of water consumption	m <sup>3</sup> /no. of employees	57.62	<b>244.92</b>

<sup>1</sup> The increased water consumption was attributed to the full-year operation of a newly opened hotel, which commenced soft opening in July 2024.

# Environmental, Social and Governance Report

## **A3 The Environment and Natural Resources**

The Group recognizes the significant negative impact its operations can have on the environment and natural resources. The emissions of air pollutants, greenhouse gases, and the generation of hazardous waste from its activities pose risks to the ecosystem. In response, the Group is committed to integrating environmental protection principles into its management practices and daily operations.

To effectively monitor and enhance these efforts, KPIs have been established for ongoing assessment and review. The Group has taken steps to reduce the environmental impact by adopting the energy saving measurement mentioned in A1 Emissions and A2 Use of Resource.

## **A4 Climate Change**

### ***Governance***

The Board has the ultimate responsibility for the oversight of climate-related matters. The management team reports to the Board at least once a year on sustainability matters, covering climate-related issues, climate-related risks and opportunities, the integration of climate considerations into strategy, major transaction decisions and risk management processes, as well as progress on climate target implementation.

The management team of the Group is responsible for assessing and managing climate-related risks and opportunities, the design and implementation of climate-related measures, as well as reviewing climate-related policies. These enable climate considerations to be incorporated into our daily operations. The Board has sufficient knowledge of climate-related issues and the impacts of such issues on the Company's business and operations. To ensure that the Board remains informed and that their knowledge is up to date, we provide regular training and materials on climate-related topics.

### ***Strategy***

To address the evolving implications of climate change, we continue to advance our approach to climate-related risk and opportunity management by embedding climate considerations into our overarching sustainability risk governance. This approach enables the systematic identification and management of climate-related physical and transition risks, as well as the evaluation of climate-related opportunities across the Group's operations and value chain.

During the Reporting Period, the Group enhanced its climate strategy planning by assessing both financial and non-financial implications of climate change across key business dimensions, including operational activities, supply chain resilience and market dynamics. The insights generated have strengthened the Group's strategic preparedness and adaptive capacity in a changing climate. The table below summarizes the key climate-related risks and opportunities identified, together with their potential impacts on the Group's business and the corresponding mitigation and response measures.

# Environmental, Social and Governance Report

Climate-related Risk/ Opportunity	Time Horizon	Description and Potential Impacts	Response Actions
<b>Physical Risks</b>			
<b>Acute</b> Extreme weather (storms, flooding, typhoons)	Short to medium term	<ul style="list-style-type: none"> <li>Physical damage to investment properties and hotel assets, disrupt property management and hotel operations</li> <li>Business interruptions may have potential implications for revenue and asset performance</li> <li>Higher repair and insurance costs</li> </ul>	<ul style="list-style-type: none"> <li>Maintain business continuity and emergency response arrangements</li> <li>Review insurance and claims processes</li> </ul>
<b>Chronic</b> Long-term warming and climatic shift	Medium to long term	<ul style="list-style-type: none"> <li>Rising average temperature may increase cooling demand and resulting in higher operating costs</li> <li>Higher maintenance costs for properties and hotels</li> </ul>	<ul style="list-style-type: none"> <li>Monitor energy and performance trends for major assets</li> <li>Incorporate climate considerations into investment planning</li> </ul>
<b>Transition Risks</b>			
<b>Policy and Legal</b> Tightening regulation and disclosure	Short to medium term	<ul style="list-style-type: none"> <li>Increasing regulatory and disclosure requirements across operating jurisdictions may lead to higher compliance costs and more stringent expectations for property, hospitality and financial services activities</li> </ul>	<ul style="list-style-type: none"> <li>Monitor regulatory developments and maintain internal oversight of compliance obligations</li> <li>Review and update policies and disclosures in line with evolving requirements</li> </ul>
<b>Market</b> Evolving stakeholder expectations	Medium term	<ul style="list-style-type: none"> <li>Increasing preference for sustainable buildings, responsible investment and environmentally conscious services may influence asset attractiveness, occupancy rates</li> </ul>	<ul style="list-style-type: none"> <li>Monitor market trends and stakeholder expectations</li> <li>Enhance communication with investors and clients</li> </ul>

# Environmental, Social and Governance Report

Climate-related Risk/ Opportunity	Time Horizon	Description and Potential Impacts	Response Actions
<b>Opportunities</b>			
<b>Resource Efficiency</b> Enhancing operational efficiency and reducing resource consumption	Short to medium term	<ul style="list-style-type: none"> <li>Enhancing energy and resource efficiency in properties and hotel operations may reduce operating costs</li> <li>Efficiency improvements may enhance long-term asset value and attractiveness to investors</li> </ul>	<ul style="list-style-type: none"> <li>Monitor resource consumption across key operations</li> <li>Consider efficiency improvements in refurbishment planning</li> <li>Integrate resource efficiency considerations into operational practices</li> </ul>
<b>Energy Source</b> Transition to lower carbon and renewable energy sources	Medium to long term	<ul style="list-style-type: none"> <li>Adoption of lower-carbon or renewable energy sources may reduce exposure to energy price volatility and support improved environmental performance of operations and assets</li> </ul>	<ul style="list-style-type: none"> <li>Monitor availability of renewable energy and low-carbon energy solutions</li> <li>Consider integration of alternative energy sources in key operations</li> </ul>

## **Risk Management**

The Board has collective responsibility for the design and effective implementation of the Group's risk management framework. Under the oversight of the sustainability committee, the Group conducts regular sustainability risk and opportunity assessments with a specific focus on climate-related risks and opportunities. These assessments systematically identify, evaluate and manage climate-related risks based on their potential impact and likelihood of occurrence, enabling risks to be prioritized in a structured manner.

Based on the assessment outcomes, appropriate mitigation and response measures are formulated and integrated into business planning to enhance the Group's resilience to climate-related risks and support informed decision-making.

# Environmental, Social and Governance Report

## Metrics and Targets

Our Scope 1 and 2 greenhouse gas (“GHG”) emissions primarily arise from fuel consumption in operations and company-owned vehicles, as well as purchased electricity. These sources continue to represent the majority of our direct and energy-related emissions footprint. During the Reporting Period, we further strengthened our Scope 3 inventory by aligning our assessment with the 15 categories defined under the GHG Protocol Corporate Value Chain (Scope 3) Standard, enhancing the completeness and transparency of our value chain emissions disclosure. We will continue to refine our data collection methodologies, expand category coverage where material, and improve data accuracy in the coming years to support more comprehensive carbon management across our value chain.

**Table 4: The Group’s Total Greenhouse Gas Emissions by Category and Intensity in 2024 and 2025**

GHG Emissions <sup>1, 2</sup>	Unit	2024	2025
GHG emissions from Scope 1 – Direct emission	tCO <sub>2</sub> e	332.68	<b>1,094.61</b>
GHG emissions from Scope 2 – Energy indirect emission	tCO <sub>2</sub> e	1,743.39	<b>2,139.50</b>
GHG emissions from Scope 3 – Other indirect emission <sup>3</sup>	tCO <sub>2</sub> e	N/A	<b>791.06</b>
Total GHG emissions (Scope 1, 2)	tCO <sub>2</sub> e	2,076.07	<b>3,234.11</b>
Total GHG emissions (Scope 1, 2, 3)	tCO <sub>2</sub> e	N/A	<b>4,025.17</b>
GHG emissions (Scope 1, 2) intensity	tCO <sub>2</sub> e/no. of employees	3.48	<b>5.39</b>
GHG emissions (Scope 1, 2, 3) intensity	tCO <sub>2</sub> e/no. of employees	N/A	<b>6.71</b>

<sup>1</sup> In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, Scope 2 energy indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group, while Scope 3 other indirect emissions are resulted from the Group’s value chain.

<sup>2</sup> Emission factors were made reference to Appendix C2 of the Main Board Listing Rules and their referred documentation as set out by HKEX, unless stated otherwise.

<sup>3</sup> The Scope 3 emissions in 2025 include available data arising from Category 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2, Category 5: Waste Generated in Operations, Category 6: Business Travel, and Category 7: Employee Commuting.

In support of China’s 3060 goal, namely peaking carbon emissions by 2030 and achieving carbon neutrality by 2060, and taking into account the Paris Agreement, an international climate agreement aimed at limiting global warming to 1.5°C above pre-industrial levels, the Group has formulated a clear carbon reduction pathway based on its business characteristics and is steadily advancing its low-carbon transition. Accordingly, we have reviewed our historical performance and established a target to reduce Scope 1 and Scope 2 GHG emissions intensity by 10% by 2030 from the base year of 2025. This target reflects the Group’s determination to contribute to the climate objectives of PRC while enhancing operational efficiency and long-term resilience.

# Environmental, Social and Governance Report

## **B. SOCIAL ASPECT**

### **B1 Employment**

As an employer, we believe that a diverse work environment will fuel innovation and ideas which is essential to our business and serve as the core competitive advantage. The Group respects and protects the rights and interests of every individual employee, employees' occupational health and safety, safeguards employees' interest, fully respects and values employees' enthusiasm, initiative and creativity, and strives to build a harmonious labor relationship.

The Group was not aware of any material non-compliance with any relevant laws and regulations, including:

- Employment Ordinance (Chapter 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong);
- Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法); and
- Insurance Law of the People's Republic of China (中華人民共和國社會保險法).

that had created significant impacts on the business and operations of the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for the Reporting Period.

# Environmental, Social and Governance Report

## B1.1 Total Employment

We believe that working in a diverse and harmonious environment is the cornerstone of achieving our corporate goal – to deliver the best service to our customers in terms of cost, quality and products. The Group will continue to strive for gender diversity in different positions and levels. At the end of the Reporting Period, the Group had a total of 600 employees (2024: 597 employees) The total workforce categorized by (i) gender, (ii) employment category, (iii) age group and (iv) geographical area is shown below:

**Table 5: The Group's Total Workforce by Gender, Employment Category, Age Group and Geographical Region in 2024 and 2025**

Total Employment	Categories	2024	2025
Gender	Male	216	<b>248</b>
	Female	381	<b>352</b>
Employment category	Full time	580	<b>594</b>
	Part time	17	<b>6</b>
Age group	Below 30	156	<b>117</b>
	30–50	336	<b>363</b>
	Above 50	105	<b>120</b>
Geographical region	Mainland China	597	<b>577</b>
	Hong Kong	–	<b>23</b>

The Group understands that a competitive remuneration package together with good benefits and welfare encourage retention and foster a sense of belonging. The Group offers a comprehensive remuneration package as well as sound training programs for realizing their potentials and giving full play of their strengths for all its employees, and employees are remunerated fairly according to their contributions with reference to the market practice.

We conduct regular performance appraisals for our employees and all employees are given equal opportunities for promotions depending on their job performance, to ensure that the remuneration package given fairly and appropriately, still remains competitive to maintain a strong performance culture in the Group. On top of basic salary, the Group offers medical insurance coverage, five-day working arrangement, statutory holidays, paid annual leave, sick leave and maternity leave. Especially on festivals such as the Chinese New Year's Eve, Mid-Autumn Festival, Winter Solstice, Christmas Eve and New Year's Eve, employees are allowed to be dismissed earlier to celebrate with their families and friends.

The Group also holds social gathering activities and encourage employees' voluntary participation aiming at providing opportunities for employees to get connected with each other and creating a harmonious working environment. It is mutually beneficial to both the Group and employees as it provides employees a sense of belonging and self-worth, which helps foster better collaboration, positive work relationship and work performance.

# Environmental, Social and Governance Report

## B1.2 Employee Turnover

During the Reporting Period, the Group's overall employee turnover rate was approximately 47% in 2025 (2024: 47%). A high turnover rate was recorded due to the cessation of manufacturing operations during the Reporting Period. The table below shows the employee turnover rate by (i) gender, (ii) age group and (iii) geographical region:

**Table 6: The Group's Employee Turnover Rate by Gender, Age Group and Geographical Region in 2024 and 2025**

Percentage of Turnover Rate	Categories	2024	2025
Gender	Male	49%	<b>44%</b>
	Female	46%	<b>47%</b>
Age group	Below 30	75%	<b>91%</b>
	30–50	44%	<b>38%</b>
	Above 50	23%	<b>22%</b>
Geographical region	Mainland China	47%	<b>47%</b>
<b>Overall employee turnover rate</b>		47%	<b>46%</b>

Moreover, the Group commits to provide a vast range of employment benefits to attract and retain talents. All employees are entitled to equal opportunities in terms of recruitment, training and development, job advancement, compensation and benefits. Employees are free from discrimination regardless of gender, ethnic, background, religion, color, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws. Employees are encouraged to file a report if any violations or suspicions on sexual harassment are discovered, the cases will then be promptly investigated, whereas disciplinary actions will be executed on related personnel when necessary.

We do not dismiss our employees unnecessarily or unfairly, unless an employee fails to comply with our company policies and has committed an act of misconduct where, after serious consideration, termination is the disciplinary action.

# Environmental, Social and Governance Report

## **B2 Health and Safety**

The Group attaches great importance to providing employees with a safe and healthy working environment. As the operation of the Group belongs to general office operation, it does not involve high risk or high hazard work. Nevertheless, the Group had implemented the following measures in guaranteeing the health and safety of our employees:

- Smoking inside office premises is strictly prohibited;
- Diagrams with emergency exit indication and escape routes are posted at accessible areas;
- First aid boxes and other medical supplies are regularly being refilled and located at areas with easy access;
- Regular disinfection of office and high touchpoints; and
- In the event of extreme weather such as typhoons, employees are allowed to leave earlier after permissions are granted from their managers.

Over the past three years, the Group had not identified work related fatalities. During the Reporting Period, there were 2 lost days due to work injuries. The Group was not aware of any non-compliance with the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong), the Production Safety Law of the People's Republic of China (中華人民共和國安全生產法), Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法) and other relevant rules and regulations related to occupational health and safety in the Reporting Period.

## **B3 Development and Training**

The Group believes that continuous education is the key to maintain the professionalism of staff, and it plays a key role to the Group's business growth and long-term sustainable development. Through employee workshops, these would facilitate the management's selection on potential talents to receive further training, subsequently the Group would be able to allocate new job responsibilities for designated employees based on their capabilities. Employees are allowed to attend training courses during office hours when necessary.

# Environmental, Social and Governance Report

The percentage of total employees who took part in training in 2025 is 100% (2024: 100%). The tables below show (i) the breakdown of total employees trained by gender and employment category and (ii) the average training hours completed per employee by gender and employment category:

**Table 7: Breakdown of Total Employees Trained by Gender and Employee Category in 2024 and 2025**

Breakdown of Total Employees Trained		Category	Unit	2024	2025
Gender	Male		%	39	<b>41</b>
	Female			61	<b>59</b>
Employment category	Senior management			2	<b>2</b>
	Middle management		%	8	<b>26</b>
	Frontline and other employees			91	<b>72</b>

**Table 8: Average Training Hours Completed per Employee by Gender and Employee Category in 2024 and 2025**

Average Training Hours Completed per Employee		Category	Unit	2024	2025
Gender	Male		hours	13.39	<b>18.14</b>
	Female			9.48	<b>21.26</b>
Employment category	Senior management		hours	13.74	<b>15.74</b>
	Middle management			13.31	<b>6.80</b>
	Frontline and other employees			10.62	<b>23.33</b>
<b>Overall average training hours completed per employee</b>			hours	10.93	<b>19.97</b>

## B4 Labor Standards

The Group is fully aware that exploitation of child and forced labour belongs to a violation of human rights and international labor conventions, therefore the Group strictly prohibits the occurrence of child labor or forced labor employment. In addition, the Group had extended our requirements for our partners or suppliers to follow along this standard. The applicable laws and regulations include Employment of Children Regulations and Employment of Young Persons (Industry) Regulations under the Employment Ordinance of Hong Kong, the Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong) and the Labour Law of the People's Republic of China (中華人民共和國勞動法). The Group has continued to reinforce the process of recruitment that our Human Resources Personnel should verify the new joiner in reaching the legal minimum age for employment and should avoid in breaching any discriminatory requirements. Any labor-related issues will be handled with diligently and appropriate actions will be taken seriously, such as termination of employment contract.

During the Reporting Period, the Group was not aware of any incidents which were non-compliant with laws and regulations related to the prevention of child labor, forced labor or other employment-related issues.

# Environmental, Social and Governance Report

## **B5 Supply Chain Management**

The Group attaches great importance in connecting with our suppliers, as it is one of the key aspects in building up the Group's business in functioning smoothly. The Group maintains strategic partnerships with and supports our suppliers through an open and fair procurement process. The Group has also established processes in accordance with certain standards and requirements set by us to select and evaluate suppliers to ensure that the purchased goods comply with relevant standards and criteria. Procurement decisions take into account the following aspects of the potential suppliers: compliance with laws and regulations, past experience in product or services, products and services quality and the current market price.

As the Group prefers selecting suppliers who share the same environmental, social and ethical values with us, the Group also pays attention to the supplier's past environmental compliance record as well as their commitment to social responsibility part from the products and services quality. In 2025, the Group partnered with 198 key suppliers in total (2024: 269). By referring to the primary location in which products and services are provided by suppliers, all key suppliers are located in the PRC.

During the Reporting Period, the Group was not aware of any suppliers that had any actions or practices which had caused significant negative impacts on business ethics, environmental protection, labor practices and human rights.

## **B6 Product Responsibility**

The Group has established effective measures to deal with the issues of product quality to ensure all products that are supplied to our customers meet the requirements for product safety and quality. As abovementioned, the supplier's background and the quality of their products and services is assessed and evaluated by the Group before admitted as qualified suppliers.

Customers' feedback is always welcomed by the Group regardless of whether it is a positive compliment or recommendation of areas of improvement. The Group treasures the valuable piece of advice from its customers as an opportunity to gather experience and enhance service quality. Any complaint received from the customers will be handled seriously and timely followed-up.

During the Reporting Period, the Group was not aware of any products sold or shipped subject to recalls for safety and health reasons and any complaints related to products and services provided.

The Group is also committed to protecting the personal privacy of customers, employees, suppliers and business partners. The Group requires that personal data collected in any format or through any platform can be used only with the knowledge and consent. The Group has also taken the following appropriate precautions to prevent unauthorized or accidental access, processing, deletion, loss or use of such information:

- Strict policies have been set up in demanding our employees in handling personal privacy data attentively;
- Only personal information which are relevant and required for the business transaction will be requested;
- No personal data would be collected by a third party without any consent and authorization permitted from the owner;

# Environmental, Social and Governance Report

- Personal data will only be applied for a directly related purpose;
- Application needed for before extending the use of personal data; and
- Firewalls and related systems are updated regularly to safeguard unauthorized access to the personal information database.

During the Reporting Period, the Group was not aware of any material non-compliance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of in Hong Kong) and other applicable local laws for data privacy.

All types of intellectual properties are protected as well as managed under the Group's senior management. Under our intellectual property management system, the Group regularly reviews, amends and enhances the intellectual property protection measures. The Group has obtained a license for the use of third-party software, information and other relevant products.

## **B7 Anti-corruption**

The Group adopted an anti-corruption policy and strictly complies with all laws and regulations, and is fully committed to restricting any illegal activities, including corruption and bribery. The Group requires staff to understand and avoid any forms of illegal activities, work together in protecting the Group during daily operations and prevent any corruption activities. The Employee Handbook sets out the relevant guidelines on work ethics and the prevention of fraud, negligence, anti-bribery and corruption. All employees are given with an Employee Handbook upon employment, and must abide by the rules and guidelines during their employment.

The Group is committed to cultivating an open, transparent and fair internal management culture with honesty and trustworthiness forming the basic code of conduct for all employees, especially leadership. Advancing our anti-corruption compliance program also remains a key priority.

In 2025, directors and staff were encouraged to independently review educational materials and regulatory guidance on evolving anti-bribery standards published by authorities. Looking ahead, we recognize the need to strengthen formal training and have begun actively exploring different platforms for delivering mandatory training to all personnel in 2025. This may include computer-based modules, in-person seminars or webinars conducted by compliance specialists.

We aim to unambiguously communicate our zero-tolerance approach towards corruption. The training will also help equip employees with the knowledge and judgment to identify and handle any improper conduct appropriately. Ongoing reinforcement of ethical business practices and individual accountability will ensure the highest integrity standards are consistently upheld across our operations and stakeholder engagements.

# Environmental, Social and Governance Report

The Group has established a whistle-blowing mechanism to handle misconduct under the supervision of the Group's Chairman and the representatives of the Audit Committee.

Employees are allowed to report and submit evidence of the suspected or confirmed misconduct to the Group's Chairman and/or an Audit Committee representative in verbal or written form (either anonymous or bearing a name), and thereafter the Group shall launch internal investigations. In case of violation of the laws, the Group shall follow procedures to file to the relevant authority.

In order to maintain a fair and ethical working environment, the Group abided by the local laws and regulations related to anti-corruption, including but not limited to the following:

- Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong);
- Anti-corruption Law of the People's Republic of China (中華人民共和國反腐敗法); and
- Law of the People's Republic of China on Anti-Money Laundering (中華人民共和國反洗錢法).

The Group does not tolerate malpractices, corruption, bribery, and concealment. If any case of the above is confirmed, strict disciplinary actions will be taken immediately. During the Reporting Period, the Group or our employees were not involved in non-compliance with the laws and regulations related to the prevention of corruption, bribery, extortion, fraud and money laundering, and have not been involved in related lawsuits.

## **B8 Community Investment**

The Group is committed to being an engaged corporate citizen and demonstrating social responsibility. As part of our strategic development, we aim to strengthen communities through sustainable partnerships and employee volunteerism.

While no direct financial donations were made in the Reporting Period due to budgetary limitations, we continued supporting our cultural of corporate social participation in other ways. For example, we encouraged employees to voluntarily assist non-profit causes on their own time to increase civic awareness and foster positive social values.

Going forward, we will explore more impactful ways to give back through targeted sponsorships and initiatives aligned with our business and United Nations Sustainable Development Goals. Potential focus areas may include education, healthcare, environmental protection or disaster relief. We also aim to formalize an employee volunteer program and systematically track participation hours.

Despite challenges, nurturing socially responsible practices remains important for the well-being of those we serve. The Group is dedicated to strengthening our approach and making measurable contributions that leave a lasting positive influence on communities for years to come.

# Environmental, Social and Governance Report

## ESG REPORTING CODE CONTENT INDEX

General Disclosures Requirements	Description	Section/Remarks
<b>A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
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 air emissions, discharges into water and land, and generation of hazardous and non- hazardous wastes.	Environmental Aspect
KPI A1.1	The types of emissions and respective emission data.	A1 Emissions
KPI A1.2	Repealed 1 January 2025	N/A
KPI A1.3	Total hazardous wastes produced (in tonnes) and, where appropriate, intensity.	A1 Emissions
KPI A1.4	Total non-hazardous wastes produced (in tonnes) and, where appropriate, intensity.	A1 Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions
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.	A1 Emissions
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	A2 Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	A2 Use of Resources
KPI A2.2	Water consumption in total and intensity.	A2 Use of Resources
KPI A2.3	Description of energy efficiency target(s) set and steps taken to achieve them.	A2 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.	A2 Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Due to our business nature, the Group does not consume any packaging materials.

# Environmental, Social and Governance Report

General Disclosures Requirements	Description	Section/Remarks
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	A3 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.	A3 The Environment and Natural Resources
<b>B. Social</b>		
<b>Aspect B1: Employment</b>		
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 employment benefits and welfare.	B1 Employment
KPI B1.1	Total workforce by gender, employment category, age group and geographical region.	B1 Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	B1 Employment
<b>Aspect B2: Health and Safety</b>		
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.	B2 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.	B2 Health and Safety
KPI B2.2	Lost days due to work injury.	B2 Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	B2 Health and Safety

# Environmental, Social and Governance Report

<b>General Disclosures</b>		
<b>Requirements</b>	<b>Description</b>	<b>Section/Remarks</b>
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	B3 Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category.	B3 Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	B3 Development and Training
<b>Aspect B4: Labour Standards</b>		
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 preventing child and forced labour.	B4 Labor Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	B4 Labor Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	B4 Labor Standards
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	B5 Supply Chain Management
KPI B5.1	Number of suppliers by geographical regions.	B5 Supply Chain Management
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.	B5 Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	B5 Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	B5 Supply Chain Management

# Environmental, Social and Governance Report

General Disclosures Requirements	Description	Section/Remarks
<b>Aspect B6: Product Responsibility</b>		
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.	Product Responsibility Privacy Protection and Intellectual Property
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	B6 Product Responsibility
KPI B6.2	Number of products and service that complaints received and how they are dealt with.	B6 Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	B6 Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	B6 Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	B6 Product Responsibility
<b>Aspect B7: Anti-corruption</b>		
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.	B7 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.	B7 Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	B7 Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	B7 Anti-corruption

# Environmental, Social and Governance Report

## General Disclosures Requirements

Requirements	Description	Section/Remarks
<b>Aspect B8: Community Investments</b>		
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.	B8 Community Investment
KPI B8.1	Focus areas of community contribution.	B8 Community Investment
KPI B8.2	Resources contributed to the focus areas.	B8 Community Investment

## Climate Disclosures Requirements

Requirements	Description	Section/Remarks
<b>(I) Governance</b> 19.	An issuer shall disclose information about: <ul style="list-style-type: none"> <li>(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;</li> <li>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</li> <li>(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;</li> <li>(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); and</li> <li>(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:               <ul style="list-style-type: none"> <li>(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; and</li> <li>(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.</li> </ul> </li> </ul>	A4 Climate Change – Governance  The Group has not yet incorporated climate-related performance indicators into its remuneration policies. We will explore the feasibility of enhancing our remuneration policies.

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
<b>(II) Strategy</b>		
<b>Climate-related risks and opportunities</b>		
20.	<p>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:</p> <ul style="list-style-type: none"> <li data-bbox="491 676 1193 771">(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;</li> <li data-bbox="491 806 1193 901">(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;</li> <li data-bbox="491 935 1193 1058">(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; and</li> <li data-bbox="491 1093 1193 1187">(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.</li> </ul>	<p>A4 Climate Change – Strategy</p> <p>Since data availability and quantification methods continue to develop or evolve, we will continue to monitor and, where feasible, describe the concentration of climate-related risks and opportunities across our business model and value chain.</p>
<b>Business model and value chain</b>		
21.	<p>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:</p> <ul style="list-style-type: none"> <li data-bbox="491 1381 1193 1440">(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and</li> <li data-bbox="491 1474 1193 1569">(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).</li> </ul>	<p>A4 Climate Change – Strategy</p>

# Environmental, Social and Governance Report

Climate Disclosures	Description	Section/Remarks
Requirements		
<b>Strategy and decision-making</b>		
22.	<p>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:</p> <p>(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:</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(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; and</p> <p>(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; and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	A4 Climate Change – Strategy
23.	<p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	A4 Climate Change – Strategy

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
<b>Financial position, financial performance and cash flows</b>		
<b>Current financial effect</b>		
24.	<p>An issuer shall disclose qualitative and quantitative information about:</p> <ul style="list-style-type: none"> <li>(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and</li> <li>(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.</li> </ul>	<p>A4 Climate Change – Strategy</p> <p>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.</p> <p>No significant risk of a material adjustment within the next annual reporting period.</p>

# Environmental, Social and Governance Report

## Climate Disclosures Requirements

### Anticipated financial effect

Requirements	Description	Section/Remarks
25.	<p>The issuer shall provide qualitative and quantitative disclosures about:</p> <p>(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:</p> <p>(i) its investment and disposal plans; and</p> <p>(ii) its planned sources of funding to implement its strategy; and</p> <p>(b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.</p>	<p>A4 Climate Change – Strategy</p> <p>We have identified major climate-related risks and opportunities and disclosed their current and/or anticipated qualitative financial effects. Given the high level of measurement uncertainty arising from data limitations and evolving climate science and methodologies, the resulting quantitative financial effects may not provide meaningful insights. We will continue to review the feasibility of disclosing such data as our business operations evolve.</p>

### Climate resilience

26.	<p>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:</p> <p>(a) the issuer's assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <p>(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;</p> <p>(ii) the significant areas of uncertainty considered in the issuer's assessment of its climate resilience; and</p> <p>(iii) the issuer's capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term;</p>	<p>We will explore the feasibility of conducting climate scenario analysis.</p>
-----	---	---

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
	<p>(b) how and when the climate-related scenario analysis was carried out, including:</p> <p>(i) information about the inputs used, including: (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
<b>(III) Risk Management</b>		
27.	<p>An issuer shall disclose information about:</p> <ul style="list-style-type: none"> <li>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about: <ul style="list-style-type: none"> <li>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</li> <li>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate related risks;</li> <li>(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);</li> <li>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</li> <li>(v) how the issuer monitors climate-related risks; and</li> <li>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period</li> </ul> </li> <li>(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); and</li> <li>(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.</li> </ul>	A4 Climate Change – Risk Management

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
<b>(IV) Metrics and Targets</b>		
<b>Greenhouse gas emissions</b>		
28.	<p>An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as:</p> <ul style="list-style-type: none"> <li>(a) Scope 1 greenhouse gas emissions;</li> <li>(b) Scope 2 greenhouse gas emissions; and</li> <li>(c) Scope 3 greenhouse gas emissions.</li> </ul>	A4 Climate Change – Metrics and Targets
<b>Anticipated financial effect</b>		
29.	<p>An issuer shall:</p> <ul style="list-style-type: none"> <li>(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;</li> <li>(b) disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> <li>(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;</li> <li>(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</li> <li>(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</li> </ul> </li> <li>(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; and</li> <li>(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).</li> </ul>	A4 Climate Change – Metrics and Targets

# Environmental, Social and Governance Report

Climate Disclosures	Description	Section/Remarks
Requirements		
<b>Climate-related transition risks</b>		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
<b>Climate-related physical risks</b>		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
<b>Climate-related opportunities</b>		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.
<b>Capital deployment</b>		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Reasonable and supportable information was not available at the reporting date without undue cost or effort. We will explore the feasibility of disclosing such metrics in the future.

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
<b>Internal carbon prices</b>		
34.	<p>An issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(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); and</li> <li>(b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;</li> </ul> <p>or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.</p>	<p>Internal carbon pricing is currently not part of our decision-making. We will explore the use of internal carbon pricing in the future.</p>
<b>Remuneration</b>		
35.	<p>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).</p>	<p>The Group has not yet incorporated climate-related performance indicators into its remuneration policies. We will explore the feasibility of enhancing our remuneration policies.</p>
<b>Industry-based metrics</b>		
36.	<p>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 characterise 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.</p>	N/A

# Environmental, Social and Governance Report

## Climate Disclosures

Requirements	Description	Section/Remarks
<b>Climate-related targets</b>		
37.	<p>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:</p> <ul style="list-style-type: none"> <li>(a) the metric used to set the target;</li> <li>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</li> <li>(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);</li> <li>(d) the period over which the target applies;</li> <li>(e) the base period from which progress is measured;</li> <li>(f) milestones or interim targets (if any);</li> <li>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</li> <li>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</li> </ul>	A4 Climate Change – Metrics and Targets
38.	<p>An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <ul style="list-style-type: none"> <li>(a) whether the target and the methodology for setting the target has been validated by a third party;</li> <li>(b) the issuer's processes for reviewing the target;</li> <li>(c) the metrics used to monitor progress towards reaching the target; and</li> <li>(d) any revisions to the target and an explanation for those revisions.</li> </ul>	<p>A4 Climate Change – Metrics and Targets</p> <p>We will explore the feasibility of having our targets validated by a third party.</p>

# Environmental, Social and Governance Report

Climate Disclosures Requirements	Description	Section/Remarks
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.	A4 Climate Change – Metrics and Targets
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: <ul style="list-style-type: none"> <li>(a) which greenhouse gases are covered by the target;</li> <li>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</li> <li>(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;</li> <li>(d) whether the target was derived using a sectoral decarbonisation approach; and</li> <li>(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:               <ul style="list-style-type: none"> <li>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</li> <li>(ii) which third-party scheme(s) will verify or certify the carbon credits;</li> <li>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</li> <li>(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).</li> </ul> </li> </ul>	<p>A4 Climate Change – Metrics and Targets</p> <p>At present, the targets were not derived using a sectoral decarbonisation approach for target setting.</p> <p>We will explore the feasibility of purchasing carbon credits to offset GHG emissions in our operations.</p>

## Applicability of cross-industry metrics and industry-based metrics

41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	A4 Climate Change - Metrics and Targets
-----	--	---

# Independent Auditor's Report



## Moore CPA Limited

1001-1010, North Tower, World Finance Centre,  
Harbour City, 19 Canton Road,  
Tsim Sha Tsui, Kowloon, Hong Kong

大華馬施雲會計師事務所有限公司

香港九龍尖沙咀廣東道19號  
海港城環球金融中心北座1001-1010室

T +852 2375 3180

F +852 2375 3828

[www.moore.hk](http://www.moore.hk)

## To the Shareholders of Future World Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Future World Holdings Limited and its subsidiaries (together, the “**Group**”) set out on pages 89 to 199, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### BASIS FOR OPINION

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

# Independent Auditor's Report

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Estimation of fair value of investment properties

*Refer to Notes 4, 5 and 18 to the consolidated financial statements*

<b>Key audit matter</b>	<b>How our audit addressed the key audit matter</b>
<p>The Group has certain investment properties in Hong Kong and the People's Republic of China. Such investment properties are measured at an aggregate fair value of approximately HKD1,105,995,000 as at 31 December 2025.</p> <p>Significant estimation and judgment are required by the management of the Company to determine the fair values of the investment properties. To support management's estimation of the fair values, the Group engaged external valuers to perform valuation on the investment properties as at 31 December 2025.</p> <p>We identified the valuation of investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the estimation and judgment associated with determining the fair value.</p>	<p>Our key procedures to address the matter included:</p> <ul style="list-style-type: none"><li>• Understood management's controls and processes for determining the valuation of investment properties and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the level of other inherent risk factors;</li><li>• Evaluated the objectivity, independence and competency of the external valuers;</li><li>• Assessed the appropriateness and reasonableness of the valuation methodologies, key assumptions and inputs adopted in the valuation for estimating the fair values of the investment properties;</li><li>• Challenged the external valuers' key inputs adopted in the valuation for estimating the fair values of the investment properties and inspected the underlying documents or data to support those key inputs; and</li><li>• Engaging an auditor's expert to assist our assessment on the appropriateness of the methodologies and the reasonableness of the assumptions and key input data adopted in certain valuation.</li></ul>

# Independent Auditor's Report

## KEY AUDIT MATTERS *(Continued)*

### Impairment assessment of loan and interest receivables

Refer to Notes 4, 5, 25 and 48(b) to the consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
<p>As at 31 December 2025, the Group had loan and interest receivables (net of credit loss allowances) amounting to approximately HKD34,931,000. The Group had recognised credit loss allowances on loan and interest receivables amounting to approximately HKD18,205,000 as at 31 December 2025.</p> <p>The measurement of expected credit loss (“ECL”) requires the application of significant judgment and increased complexity.</p> <p>We have identified management’s impairment assessments on the Group’s loan and interest receivables as a key audit matter because their carrying amounts are significant and the assessments required significant management judgment and involved high level of estimation uncertainty.</p> <p>To support management’s estimation of the ECL, the Group engaged an external valuer to perform valuation on the ECL of loan and interest receivables.</p>	<p>Our key procedures to address the matter included:</p> <ul style="list-style-type: none"><li>• Understood management’s controls and processes for assessing the creditworthiness, granting credit limits and credit period to debtors;</li><li>• Assessed the newly granted loan and responds to outstanding debts are consistent to Group’s credit policy;</li><li>• Assessed the newly granted loan and responds to outstanding debts are consistent to Group’s credit policy;</li><li>• Evaluated the objectivity, independence and competent of the external valuer;</li><li>• Assessed the reasonableness of the Group’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;</li><li>• Challenged whether historical experience is representative of current circumstances and of the recent losses incurred in the debtors and assessed the reasonableness of forward-looking adjustments, including the economic variables and assumptions used in each of the economic scenarios and their probability weightings; and</li><li>• Assessed the adequacy of the ECL recorded by reviewing subsequent settlements after the year end and any correspondence with debtors about expected settlement dates, as well as any collaterals obtained from debtors.</li></ul>

# Independent Auditor's Report

## **OTHER INFORMATION**

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

## **RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

The audit committee of the Company assists the directors of the Company in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

# Independent Auditor's Report

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

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

# Independent Auditor's Report

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

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

From the matters communicated with the audit committee of the Company, 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.

### **Moore CPA Limited**

*Certified Public Accountants*

### **Ng Ngai Yan**

Practising Certificate Number: P07422

Hong Kong, 30 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000
<b>Revenue</b>	6	<b>114,602</b>	84,458
Cost of sales		<b>(71,744)</b>	(42,676)
<b>Gross profit</b>		<b>42,858</b>	41,782
Other income and gains	8	<b>7,192</b>	67,875
Selling and distribution costs		<b>(4,562)</b>	(1,190)
Administrative expenses		<b>(37,415)</b>	(47,428)
Provision for credit loss allowances on trade receivables, net	48(b)(ii)	<b>(3,260)</b>	(4,851)
(Provision for)/reversal of credit loss allowances on other receivables	48(b)(i)	<b>(317)</b>	22,744
(Provision for)/reversal of credit loss allowances on loan and interest receivables, net	25	<b>(1,353)</b>	11,524
Reversal of/(provision for) expected credit loss on investment in corporate bond	48(b)(i)	<b>7,972</b>	(236)
Change in fair value of investment properties	18	<b>(34,557)</b>	(58,399)
Change in fair value of financial assets at fair value through profit or loss	23	<b>5,205</b>	28,532
Gain/(loss) on disposal of subsidiaries	41	<b>1,970</b>	(500)
<b>Operating (loss)/gain</b>		<b>(16,267)</b>	59,853
Finance costs	9	<b>(40,194)</b>	(23,969)
<b>(Loss)/profit before income tax</b>	10	<b>(56,461)</b>	35,884
Income tax credit/(expense)	11	<b>3,992</b>	(22,553)
<b>(Loss)/profit for the year</b>		<b>(52,469)</b>	13,331

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of financial statements of foreign operations		6,164	(6,204)
Release of exchange reserve upon disposal of a subsidiary		(568)	–
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Change in fair value of financial assets at fair value through other comprehensive income	21	(1,610)	(245)
<b>Other comprehensive income/(loss) for the year, net of income tax</b>		<b>3,986</b>	<b>(6,449)</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(48,483)</b>	<b>6,882</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owners of the Company		(52,469)	13,494
Non-controlling interests		–	(163)
		<b>(52,469)</b>	<b>13,331</b>
<b>Total comprehensive (loss)/income for the year attributable to:</b>			
Owners of the Company		(48,483)	7,009
Non-controlling interests		–	(127)
		<b>(48,483)</b>	<b>6,882</b>
<b>(Loss)/earnings per share attributable to the owners of the Company</b>		<b>HKD</b>	<b>HKD</b>
Basic and diluted	15	<b>(0.18)</b>	0.06

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000
<b>Non-current assets</b>			
Property, plant and equipment	16	159,150	163,280
Right-of-use assets	17	21,541	23,234
Investment properties	18	1,105,995	971,414
Goodwill	19	3,284	1,527
Interest in an associate	20	–	–
Financial assets at fair value through other comprehensive income	21	8,299	9,909
Deferred tax assets	26	3,004	2,781
Finance lease receivables	27	856	–
		<b>1,302,129</b>	1,172,145
<b>Current assets</b>			
Inventories	24	1,049	1,417
Loan and interest receivables	25	34,931	163,831
Financial assets at fair value through profit or loss	23	59,865	115,321
Investment in corporate bond	22	–	14,553
Trade and other receivables	27	26,017	35,245
Amount due from a director	36	1,137	65,746
Cash and bank balances	28	212,322	99,275
		<b>335,321</b>	495,388
<b>Current liabilities</b>			
Trade payables, accruals and other payables	29	65,528	38,453
Contract liabilities	30	5,176	6,634
Lease liabilities	31	3,238	2,699
Bank borrowings	32	199,623	217,368
Other borrowings	33	16,972	87,653
Promissory note	34	–	13,887
Bond payable	35	–	44,857
Loans from a director	36	22,178	21,284
Tax payables		1,669	3,442
		<b>314,384</b>	436,277
<b>Net current asset</b>		<b>20,937</b>	59,111
<b>Total assets less current liabilities</b>		<b>1,323,066</b>	1,231,256

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000
<b>Non-current liabilities</b>			
Lease liabilities	31	18,206	19,743
Other borrowings	33	315,801	293,784
Promissory note	34	16,174	–
Loans from a director	36	136,240	49,324
Deferred tax liabilities	26	15,030	20,375
		<b>501,451</b>	383,226
<b>Net assets</b>			
		<b>821,615</b>	848,030
<b>Capital and reserves</b>			
Share capital	37	120,603	101,556
Reserves	38	701,012	746,474
<b>Total equity attributable to the owners of the Company</b>			
		<b>821,615</b>	848,030

The consolidated financial statements on the pages from 89 to 199 were approved and authorised for issue by the board of directors on 30 March 2026 and are signed on its behalf by:

**Wang Qian**  
*Director*

**Lai Long Wai**  
*Director*

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable to owners of the Company									
	Share capital	Share premium	Translation reserve	Fair value reserve (non-recycling)	Statutory reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total
	HKD'000 (Note 37)	HKD'000 (Note 38)	HKD'000 (Note 38)	HKD'000 (Note 38)	HKD'000 (Note 38)	HKD'000 (Note 38)	HKD'000	HKD'000	HKD'000	HKD'000
At 1 January 2024	92,876	1,595,687	(2,254)	(186,741)	-	-	(698,503)	801,065	-	801,065
Profit/(loss) for the year	-	-	-	-	-	-	13,494	13,494	(163)	13,331
Other comprehensive (loss)/income, net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	-	-	(6,240)	-	-	-	-	(6,240)	36	(6,204)
Change in fair value of financial assets at fair value through other comprehensive income (Note 21)	-	-	-	(245)	-	-	-	(245)	-	(245)
Other comprehensive (loss)/income for the year, net of income tax	-	-	(6,240)	(245)	-	-	-	(6,485)	36	(6,449)
Total comprehensive income/(loss) for the year	-	-	(6,240)	(245)	-	-	13,494	7,009	(127)	6,882
Transferred to statutory reserve	-	-	-	-	1,688	-	(1,688)	-	-	-
Issuance of shares (Note 37(iii))	8,680	6,510	-	-	-	-	-	15,190	-	15,190
Acquisition of subsidiaries (Note 40(d))	-	-	-	-	-	-	-	-	5,061	5,061
Change in equity interests in subsidiaries without change of control (Note 40(d))	-	-	-	-	-	-	660	660	(4,934)	(4,274)
Gain on substantial modification of loans from a director (Note 36(iii))	-	-	-	-	-	24,106	-	24,106	-	24,106
At 31 December 2024 and 1 January 2025	<b>101,556</b>	<b>1,602,197</b>	<b>(8,494)</b>	<b>(186,986)</b>	<b>1,688</b>	<b>24,106</b>	<b>(686,037)</b>	<b>848,030</b>	<b>-</b>	<b>848,030</b>
Loss for the year	-	-	-	-	-	-	(52,469)	(52,469)	-	(52,469)
Other comprehensive income/(loss), net of income tax										
Exchange differences arising on translation of financial statements of foreign operations	-	-	6,164	-	-	-	-	6,164	-	6,164
Release of exchange reserve upon disposal of a subsidiary	-	-	(568)	-	-	-	-	(568)	-	(568)
Change in fair value of financial assets at fair value through other comprehensive income (Note 21)	-	-	-	(1,610)	-	-	-	(1,610)	-	(1,610)
Other comprehensive income/(loss) for the year, net of income tax	-	-	5,596	(1,610)	-	-	-	3,986	-	3,986
Total comprehensive income/(loss) for the year	-	-	5,596	(1,610)	-	-	(52,469)	(48,483)	-	(48,483)
Transferred to statutory reserve	-	-	-	-	816	-	(816)	-	-	-
Issuance of shares (Note 37(iii))	19,047	3,021	-	-	-	-	-	22,068	-	22,068
At 31 December 2025	<b>120,603</b>	<b>1,605,218</b>	<b>(2,898)</b>	<b>(188,596)</b>	<b>2,504</b>	<b>24,106</b>	<b>(739,322)</b>	<b>821,615</b>	<b>-</b>	<b>821,615</b>

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000
<b>Cash flows from operating activities</b>			
(Loss)/profit before income tax		(56,461)	35,884
Adjustments for:			
Interest income on bank deposits	8	(905)	(158)
Interest income from unlisted corporate bond	8	(789)	(1,500)
Gain on derecognition of investment properties upon transfer to finance lease receivables	8	(1,686)	–
Gain on early redemption of promissory note	8	(2,319)	–
Gain on substantial modification of other borrowings	8	–	(65,206)
Finance costs	9	40,194	23,969
Depreciation of property, plant and equipment	10	11,796	4,909
Loss on written off of property, plant and equipment	10	–	566
Loss on lease modification	10	–	334
Gain on disposal on property, plant and equipment, net	8	(171)	–
Depreciation of right-of-use assets	10	3,199	2,244
Provision for/(reversal of) credit loss allowances on loan and interest receivables, net		1,353	(11,524)
Provision for credit loss allowances on trade receivables, net		3,260	4,851
Provision for/(reversal of) credit loss allowances on other receivables, net		317	(22,744)
(Reversal of)/provision for expected credit loss on investment in corporate bond		(7,972)	236
Change in fair value of investment properties		34,557	58,399
Change in fair value of financial assets at fair value through profit or loss		(5,205)	(28,532)
(Gain)/loss on disposal of subsidiaries		(1,970)	500
<b>Operating cash flows before movements in working capital</b>		<b>17,198</b>	<b>2,228</b>
Decrease in inventories		415	1,587
Decrease in loan and interest receivables		104,156	45,971
Decrease in financial assets at fair value through profit or loss		60,681	2,294
Decrease/(increase) in trade and other receivables		7,776	(3,670)
Decrease in trade payables, accruals and other payables		(2,423)	(4,717)
(Decrease)/increase in contract liabilities		(1,698)	2,853
<b>Cash generated from operations</b>		<b>186,105</b>	<b>46,546</b>
Income tax paid		(4,120)	(1,834)
<b>Net cash generated from operating activities</b>		<b>181,985</b>	<b>44,712</b>

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HKD'000	2024 HKD'000
<b>Cash flows from investing activities</b>			
Interest received		4,219	908
Purchase of property, plant and equipment		(1,208)	(11,371)
Additions to investment properties		(8,149)	(597)
Proceed from disposal of property, plant and equipment		449	–
Redemption of investment in corporate bond		20,000	–
Acquisition of subsidiaries, net of cash acquired	40	(1,098)	9,603
Net cash (outflow)/inflow arising on disposal of subsidiaries	41	(2)	38,000
<b>Net cash generated from investing activities</b>		<b>14,211</b>	<b>36,543</b>
<b>Cash flows from financing activities</b>			
Interest paid on bank and other borrowings		(6,763)	(12,464)
Interest paid on bond payable		(4,053)	(4,500)
Loan from a director		80,000	21,716
Proceeds from bank borrowings		33,500	49,500
Repayments of bank borrowings		(51,245)	(108,915)
Repayments of other borrowings		(85,879)	(2,240)
Acquisition of equity interest in subsidiaries without change of control	40(d)	–	(4,274)
Repayment of bond payable		(42,200)	–
Repayment of lease liabilities – principal		(3,291)	(3,153)
Repayment of lease liabilities – interest		(2,045)	(1,493)
<b>Net cash used in financing activities</b>		<b>(81,976)</b>	<b>(65,823)</b>
<b>Net increase in cash and cash equivalents</b>		<b>114,220</b>	<b>15,432</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>99,275</b>	<b>81,721</b>
<b>Effect of foreign exchange rates changes, net</b>		<b>(1,173)</b>	<b>2,122</b>
<b>Cash and cash equivalents at the end of the year</b>			
– Cash and bank balances	28	212,322	99,275

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL

Future World Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 21 October 2002 under the Companies Law of the Cayman Islands. The address of the registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business is changed from Unit 612, Tai Yau Building, 181 Johnston Road, Wan Chai to Room 10, 27/F, C C Wu Building, 302–308 Hennessy Road, Wan Chai, Hong Kong with effect from 26 November 2025. The shares of the Company are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) are principally engaged in (i) hotel operation and ancillary business; (ii) property investment, management and agency services; (iii) provision of financing services; (iv) securities trading and investment; (v) securities brokerage business and (vi) asset management services.

The consolidated financial statements are presented in Hong Kong dollars (“**HKD**”), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except where otherwise indicated.

## 2. BASIS OF PREPARATION

### Statement of compliance

These consolidated financial statements have been prepared in accordance with all HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards (“**HKFRSs**”), Hong Kong Accounting Standards (“**HKASs**”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and accounting principles generally accepted in Hong Kong. These consolidated financial statements also include the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Hong Kong Companies Ordinance.

### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, financial assets at fair value through profit or loss (“**FVTPL**”) and financial assets at fair value through other comprehensive income (“**FVTOCI**”), which are measured at fair value.

## 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) Adoption of amendments to an HKFRS Accounting Standard – effective 1 January 2025

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA that are mandatorily effective for an accounting period that begins on or after 1 January 2025. These amendments have been applied by the Group for the first time in the current year unless otherwise specified.

Amendments to HKAS 21

Lack of Exchangeability

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

### (b) New and amendments to HKFRS Accounting Standards not yet adopted

The Group has not applied the following new and amendments to HKFRS Accounting Standards, which have been issued but are not yet effective, in the consolidated financial statements:

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2026

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2027

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined

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

#### ***Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments***

The amendments to HKFRS 9 clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 3. ADOPTION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (Continued)

### (b) New and amendments to HKFRS Accounting Standards not yet adopted (Continued)

#### *Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments (Continued)*

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent event not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

#### *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*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the income statement; 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 primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the structure and presentation of the consolidated statement of profit or loss and other comprehensive income based on new defined subtotals and disclosures in the future financial statements. The Group is still currently assessing the impact that HKFRS 18 will have on the Group’s consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any investment retained and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. The Group's share of components previously recognised in other comprehensive income is reclassified to the consolidated profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### **Business combinations and goodwill**

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

### ***Business combinations***

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

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

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in the consolidated profit or loss.

Goodwill is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the consolidated income statement as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value.

After initial recognition, goodwill is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

### Business combinations and goodwill (*Continued*)

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units ("CGUs") (or groups of CGUs) that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units. Impairment is determined by assessing the recoverable amount of the CGUs (group of CGUs) to which the goodwill relates. If the recoverable amount of the CGUs (group of CGUs) is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit (group of CGUs) and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss recognised for goodwill is not reversed in subsequent periods.

### Investments in subsidiaries

In the Company's statement of financial position in Note 52, the interests in subsidiaries are stated at cost less accumulated impairment losses. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

### Revenue recognition

#### *Revenue from contracts with customers*

Under HKFRS 15 Revenue from Contracts with Customers ("**HKFRS 15**"), the Group recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

#### *Revenue from hotel operation and ancillary business*

Revenue from hotel room rental and hostel cleaning services are recognised over time during the period of stay for the guests. Revenue from catering and other services is generally recognised at the point in time when the services are rendered.

#### *Revenue from property investment, management and agency*

Revenue from property management services under lump sum basis and resident support services is recognised over the period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs. The Group acts as principal and the Group entitles to revenue at the value of property management service fee received by the properties.

The Group provides property agency services on the residential communities, including property sales agency services and property lease agency services. Agency commission income is recognised at a point in time when a buyer and seller or lessee and lessor execute a legally binding sale or lease agreement and when the relevant agreement becomes unconditional and irrevocable.

#### *Revenue from asset management services*

Management fee income is recognised overtime when services are rendered.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Revenue recognition *(Continued)*

#### *Revenue from other sources*

Interest income from a financial asset is accrued on a time basis on the principal outstanding or amortised cost in the case of credit-impaired financial assets at the applicable effective interest rate.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

#### *Leasing*

##### *The Group as lessor*

##### Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The existing leases of the Group are all classified as operating leases.

Rental income from operating leases is recognised in consolidated profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term except for investment properties measured under fair value model.

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

##### Subleases

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

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

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in consolidated profit or loss within "Revenue". The right-of-use asset relating to the head lease is not derecognised. For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

##### 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)*

### Revenue recognition *(Continued)*

#### *Leasing (Continued)*

##### *The Group as lessee*

Leases are initially recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the consolidated statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Assets leased to the Group and the corresponding liabilities are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the incremental borrowing rate of respective entities. Right-of-use assets are measured at cost comprising the following:

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

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the consolidated statement of profit or loss and other comprehensive income. Short-term leases are leases with a lease term of 12 months or less.

### **Property, plant and equipment**

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and 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)*

### Investment properties

Investment properties owned by the Group are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Leased properties under operating lease are the investment properties held to earn rentals and/or for capital appreciation that are being recognised as right-of use assets and sub-leased by the Group under operating leases.

Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated statement of profit or loss and other comprehensive income in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the consolidated statement of profit or loss and other comprehensive income in the period of the retirement or disposal.

### Impairment losses on assets (other than financial assets and inventories)

At the end of each reporting period, the Group reviews the carrying amounts of property, plant and equipment, right-of-use assets and interest in an associate to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased.

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRSs, in which case the impairment loss is treated as a revaluation decrease under that HKFRSs.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRSs, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRSs.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

### Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are expensed in the period in which they are incurred.

### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

### Financial assets

Financial assets are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15.

#### (a) *Classification and subsequent measurement*

Investments in debt securities 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.

Investments in debt securities that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Financial assets *(Continued)*

#### (a) *Classification and subsequent measurement (Continued)*

All other financial assets are subsequently measured at FVTPL, except that at the date of 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 (Revised) Business Combinations applies.

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

#### (i) *Financial assets at amortised cost*

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost.

#### (ii) *Equity instruments designated as at FVTOCI*

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings/(accumulated losses).

#### (iii) *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 excludes any dividend or interest earned on the financial asset.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

### Financial assets (*Continued*)

#### (b) *Impairment of financial assets*

The Group recognises a loss allowance for expected credit loss (“**ECL**”) on financial assets which are subject to impairment under HKFRS 9 including loan and interest receivables, trade and other receivables, investment in corporate bond, amount due from a director and cash and bank balances. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

#### *Simplified approach*

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, and contract assets, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has applied loss rates which are reference to the default rates from international credit rating agencies, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### *General approach*

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Financial assets *(Continued)*

#### *(b) Impairment of financial assets (Continued)*

##### *General approach (Continued)*

Loan and interest receivables are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs.

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

#### *(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.

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; or
- 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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Financial assets *(Continued)*

#### *(b) Impairment of financial assets (Continued)*

##### *General approach (Continued)*

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

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 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group considers the cash and bank balances to have a low credit risk because the majority of the counterparties are banks with external credit rating of “investment grade” as per globally understood definitions.

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 identifying significant increase in credit risk before the amount becomes past due.

##### *(ii) Definition of default*

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### *(iii) Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events of default 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; or
- (b)* a breach of contract, such as a default or past due event; or
- (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 consider; or
- (d)* it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Financial assets *(Continued)*

#### *(b) Impairment of financial assets (Continued)*

##### *General approach (Continued)*

##### (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, or in the case of loan and interest receivables, when the amounts are over one year past due, whichever occurs sooner. 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.

##### (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 adjusted by 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.

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.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitment draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.

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.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

### Financial assets (*Continued*)

#### (c) *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

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.

On derecognition of an investment in equity instrument which the Group has elected, on initial recognition of the investment to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated losses.

### Financial liabilities

#### (a) *Initial recognition and measurement*

Financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value.

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

The Group's financial liabilities include trade payables, accruals and other payables, lease liabilities, bank borrowings, other borrowings, bond payable, promissory note and loans from a director.

#### (b) *Subsequent measurement*

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

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

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Financial liabilities *(Continued)*

#### *(c) Derecognition/modification of financial liabilities*

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 derecognised and the consideration paid and payable is recognised in profit or loss.

When the contractual terms of a financial liability are modified, the Group assess whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. The above said fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

### Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances and have a short maturity of generally within three months when acquired.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

### Taxation

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

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale.

### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group’s foreign operations are translated into the presentation currency of the Group (i.e. HKD) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve (attributed to non-controlling interests as appropriate).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

### Foreign currencies *(Continued)*

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or construction) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

### Retirement benefits costs

Payments to central pension scheme operated by the local municipal government of the People's Republic of China (the "PRC") and the Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Scheme Ordinance are recognised as an expense when employees have rendered service entitling them to the contributions.

The Group operates a defined contribution MPF Scheme under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries 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 into the MPF Scheme.

The employees of the Group's subsidiaries which operate in the PRC are required to participate in various defined contribution plans operated by the relevant authorities. These subsidiaries are required to contribute specified percentage of its payroll costs in accordance with the local practice and regulations.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

There were no forfeited contributions utilised by the Group to reduce existing level of contributions for each of the years.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (*Continued*)

### Short-term employee benefits

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimates (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### (i) *Deferred taxation on investment properties*

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model in HKAS 40 Investment Property, the directors of the Company have reviewed the Group's investment properties portfolios and concluded that, except for the leased investment property under operating lease, the Group's investment properties are not held under a business model whose objective is to consume substantially all of economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption contained in HKAS 12 that the carrying amounts of investment properties measured using the fair value model is recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment properties in Hong Kong as the Group is not subject to any income taxes on the fair value changes of the investment properties located in Hong Kong on disposal. For the investment properties located in the PRC, the Group is subject to relevant tax rules on the gain on disposal of properties and therefore deferred tax liabilities would be recognised for the fair value gain of investment properties located in the PRC. However, the Group entitles no tax benefit if there is a loss on disposal of property. No deferred tax assets would be considered if there is fair value loss of investment properties located in the PRC.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### Key sources of estimation uncertainty

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

#### (i) *Provision of ECL for trade receivables, other receivables, loan and interest receivables and investment in corporate bond*

The Group had measured credit loss allowances for trade receivables at lifetime ECLs based on the default rates from international credit rating agencies for various industries of debtors, debtor's creditworthiness and ageing of trade receivables, and are adjusted with forward-looking information that is available without undue cost or effort. The Group had measured credit loss allowances for other receivables, loan and interest receivables and investment in corporate bond based on credit spread at 12-month ECL. The directors of the Company classified the other receivables, loan and interest receivables and investment in corporate bond to different stages by considering whether there is significant increase in credit risk since initial recognition. The Group estimated the amount of ECL based on the loss rates which are reference to the default rates from international credit rating agencies, with adjustment to reflect the current conditions and forecasts of future economic conditions.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables, other receivables, loan and interest receivables and investment in corporate bond are disclosed in Note 48(b).

#### (ii) *Impairment on property, plant and equipment and right-of-use assets*

Property, plant and equipment and right-of-use assets are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgment and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the net present value used in the impairment test.

For the years ended 31 December 2025 and 2024, there is no impairment loss on property, plant and equipment and right-of-use assets recognised.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

### Key sources of estimation uncertainty *(Continued)*

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

At the end of the reporting period, investment properties are stated at fair value based on the valuation performed by firms of independent qualified professional valuers. In determining the fair value, the valuers have based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation reports, the directors of the Company have exercised their judgment and are satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in change in the fair value of the Group's investment properties being recognised in the profit or loss. The carrying amount of investment properties measured at fair value at 31 December 2025 was approximately HKD1,105,995,000 (2024: HKD971,414,000) (Note 18).

#### *(iv) Estimate of current tax and deferred tax*

Significant judgment and estimates are required in determining the amount of the provision for taxation and the timing of payment of the related taxation. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provisions and deferred tax provisions in the periods in which such determination are made.

#### *(v) Useful lives of property, plant and equipment*

The management determines the estimated useful lives and related depreciation expenses for the Group's property, plant and equipment based on the historical experience and the expected usage of the property, plant and equipment with similar nature and functions. The management also takes into account and will revise the depreciation expenses where the useful lives changed from those previously estimated, if there is any technological obsolescence, changes in the market demand or service outputs has been reduced significantly. The carrying amount of property, plant and equipment (excluding construction in progress) as at 31 December 2025 was approximately HKD158,869,000 (2024: HKD162,962,000) (Note 16).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. REVENUE

Revenue represents the income received and receivable arising from the Group's operating activities including (i) hotel operation and ancillary business; (ii) property investment, management and agency services; (iii) provision of financing services; (iv) securities trading and investment; and (v) asset management services during the year ended 31 December 2025 (2024: (i) hotel operation and ancillary business; (ii) property investment, management and agency services; (iii) provision of financing services; and (iv) securities trading and investment). An analysis of the Group's revenue for the years are as follows:

	2025 HKD'000	2024 HKD'000
<b>Revenue</b>		
<i>Revenue from contracts with customers within the scope of HKFRS 15 recognised at a point in time:</i>		
Catering and other service income from hotel operation and ancillary business	<b>48,134</b>	32,779
Commission income from property agency service	<b>18,385</b>	15,819
<i>Revenue from contracts with customers within the scope of HKFRS 15 recognised over time:</i>		
Hotel room rental and hostel cleaning services income from hotel operation and ancillary business	<b>22,050</b>	10,801
Management fee income from property management service	<b>8,140</b>	6,454
Management fee income from asset management services	<b>3,374</b>	–
<i>Revenue from other sources:</i>		
Rental income from property investment	<b>8,622</b>	8,881
Interest income from provision of financing services	<b>5,585</b>	9,401
Dividend income from securities trading and investment	<b>312</b>	323
	<b>114,602</b>	84,458

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors of the Company, being the chief operating decision makers (the “**CODM**”), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. The business components in the internal financial information reported to the executive directors of the Company are determined following the Group’s major operations.

The measurement policies the Group uses for reporting segment results under HKFRS 8 Operating Segments are the same as those used in its consolidated financial statements prepared under HKFRSs.

No operating segments identified by the executive directors of the Company have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group’s reportable and operating segments under HKFRS 8 are as follows:

- Hotel operation and ancillary business
- Property investment, management and agency services
- Provision of financing services
- Securities trading and investment
- Securities brokerage business
- Asset management services (*Note (a)*)
- Trading business and related services
- High technology business (*Note (b)*)

*Notes:*

- (a) In current year, the asset management services was commenced after the acquisition of subsidiaries as detailed in Note 40(a) and is considered as a new operating and reportable segment.
- (b) In current year, the CODM considered the high technology business was no longer a separate operating and reportable segment after the disposal of a subsidiary as detailed in Note 41(a). During the year ended 31 December 2025, nil (2024: Nil) revenue was derived from the high technology business and the profit for the high technology business was approximately HKD31,000 (2024: loss of approximately HKD2,259,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION (Continued)

### Segment revenue and financial performance

The following is an analysis of the Group's revenue and financial performance from operations by reportable and operating segments:

	Hotel operation and ancillary business		Property investment, management and agency services		Provision of financing services		Securities trading and investment		Securities brokerage business		Asset management services		Trading business and related services		High technology business		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Revenue																		
- External sales	70,184	43,580	35,147	31,154	5,585	9,401	312	323	-	-	3,374	-	-	-	-	-	114,602	84,458
Segment financial performance	(15,298)	(5,382)	(46,677)	2,256	2,861	33,173	19,766	10,697	(1,223)	(1,282)	(625)	-	(269)	(38)	31	(2,259)	(41,434)	37,165
Unallocated corporate income																	15,070	25,301
Unallocated corporate expenses																	(27,678)	(22,549)
Unallocated finance costs																	(2,419)	(4,033)
(Loss)/profit before income tax																	(56,461)	35,884

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit/(loss) represents the profit earned/(loss incurred) by each segment without allocation of certain administration costs, directors' emoluments, certain other income and gains and certain finance costs. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION *(Continued)*

### Segment assets and liabilities

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

	2025 HKD'000	2024 HKD'000
<b>Segment assets</b>		
Hotel operation and ancillary business	<b>197,232</b>	197,529
Property investment, management and agency services	<b>1,153,525</b>	1,011,795
Provision of financing services	<b>38,957</b>	203,710
Securities trading and investment	<b>69,323</b>	88,077
Securities brokerage business	<b>4,551</b>	4,348
Asset management services	<b>3,806</b>	–
Trading business and related services	<b>1,367</b>	1,063
High technology business	–	436
<b>Total segment assets</b>	<b>1,468,761</b>	1,506,958
Unallocated corporate assets	<b>168,689</b>	160,575
<b>Consolidated assets</b>	<b>1,637,450</b>	1,667,533
<b>Segment liabilities</b>		
Hotel operation and ancillary business	<b>143,681</b>	133,864
Property investment, management and agency services	<b>502,850</b>	458,112
Provision of financing services	<b>2</b>	–
Securities trading and investment	<b>22,607</b>	116,029
Securities brokerage business	<b>33</b>	–
Asset management services	<b>1,263</b>	–
Trading business and related services	<b>878</b>	1,828
High technology business	–	2,236
<b>Total segment liabilities</b>	<b>671,314</b>	712,069
Unallocated corporate liabilities	<b>144,521</b>	107,434
<b>Consolidated liabilities</b>	<b>815,835</b>	819,503

All assets are allocated to operating segments other than corporate assets including certain other receivables, cash and bank balances. All liabilities are allocated to operating segments other than corporate liabilities including certain other payables and accruals, promissory note and certain loans from a director.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION (Continued)

### Other segment information

	Hotel operation and ancillary business		Property investment, management and agency		Provision of financing services		Securities trading and investment		Securities brokerage service		Asset management services		Trading business and related services		High Technology Investment		Unallocated		Total		
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
Amounts included in the measure of segment profit or loss or segment assets:																					
Addition to property, plant and equipment	844	156,905	364	13,167	-	-	-	-	-	-	117	-	-	-	-	-	-	-	1,325	170,072	
Addition to right-of-use assets	-	24,946	-	-	-	-	-	-	-	-	292	-	-	-	-	-	-	-	292	24,946	
Depreciation of property, plant and equipment	10,278	3,895	1,468	1,008	-	-	-	-	-	-	50	-	-	-	-	-	6	11,796	4,909		
Depreciation of right-of-use assets	2,648	1,314	-	-	-	-	-	-	-	-	280	-	-	-	-	-	271	930	3,199	2,244	
Provision for/(reversal of) credit loss allowances on loan and interest receivables, net	-	-	-	-	1,353	(8,014)	-	-	-	-	-	-	-	-	-	-	-	(3,510)	1,353	(11,524)	
Provision for credit loss allowances recognised on trade receivables, net	-	-	3,260	4,851	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,260	4,851	
Provision for/(reversal of) credit loss allowances recognised on other receivables	-	-	317	991	-	(16,811)	-	-	-	-	-	-	-	-	-	-	-	(6,924)	317	(22,744)	
(Reversal of)/provision for ECL on investment in corporate bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,972)	236	(7,972)	236	
Change in fair value of financial assets at FVTPL	-	-	(6)	(4)	-	-	(21,027)	(16,098)	-	-	-	-	-	-	-	-	15,828	(12,430)	(5,205)	(28,532)	
Change in fair value of investment properties	-	-	34,557	58,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,557	58,399	
Finance costs	10,177	223	26,194	14,094	-	-	1,384	5,619	-	-	20	-	-	-	-	-	2,419	4,033	40,194	23,969	
Income tax (credit)/expense	(2,160)	1,593	(1,609)	20,960	(223)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,992)	22,553	
Loss on written off of property, plant and equipment	-	-	-	-	-	43	-	-	-	-	-	-	-	-	-	-	-	523	-	566	
Loss on lease modification	-	317	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17	-	334	
Gain on disposal of property, plant and equipment, net	-	-	(171)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(171)	-	
Gain on derecognition of investment properties upon transfer to finance lease receivables	-	-	(1,686)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,686)	-	
Gain on early redemption of promissory note	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,319)	-	(2,319)	-	
Gain on substantial modification of other borrowings	-	(9,545)	-	(55,661)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(65,206)	
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:																					
Interest income on bank deposits	(18)	(60)	(108)	(51)	(2)	(1)	(1)	(20)	(97)	(21)	-	-	-	-	-	-	(679)	(5)	(905)	(158)	
Interest income from unlisted corporate bond	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(789)	(1,500)	(789)	(1,500)	
Loss/(gain) on disposals of subsidiaries	-	-	-	500	-	-	-	-	-	-	-	-	-	(1,970)	-	-	-	-	(1,970)	500	

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. SEGMENT INFORMATION *(Continued)*

### Geographical information

The Group's operations are located in Hong Kong and the PRC.

The Group's revenue from external customers classified in accordance with geographical location of customers during the reporting period and information about the non-current assets, except finance lease receivables, deferred tax assets, financial assets at FVTOCI, interest in an associate and goodwill classified in accordance with geographical location of the assets at the end of the reporting period are detailed below.

	2025			2024		
	Hong Kong HKD'000	The PRC HKD'000	Total HKD'000	Hong Kong HKD'000	The PRC HKD'000	Total HKD'000
Revenue	<b>9,271</b>	<b>105,331</b>	<b>114,602</b>	13,243	71,215	84,458
Non-current assets:						
Property, plant and equipment	<b>67</b>	<b>159,083</b>	<b>159,150</b>	–	163,280	163,280
Right-of-use assets	<b>321</b>	<b>21,220</b>	<b>21,541</b>	272	22,962	23,234
Investment properties	<b>663,100</b>	<b>442,895</b>	<b>1,105,995</b>	564,000	407,414	971,414
	<b>663,488</b>	<b>623,198</b>	<b>1,286,686</b>	564,272	593,656	1,157,928

### Information about major customers

Since no revenue from sale to a single customer amounted to 10% or more of the Group's revenue during the current and prior year, no major customer information is presented in accordance with HKFRS 8.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 8. OTHER INCOME AND GAINS

	2025 HKD'000	2024 HKD'000
<b>Other income</b>		
Interest income on bank deposits	905	158
Interest income from unlisted corporate bond	789	1,500
Sundry income	1,103	1,011
Government subsidies ( <i>Note</i> )	219	–
	<b>3,016</b>	2,669
<b>Other gains</b>		
Gain on substantial modification of other borrowings ( <i>Note 33</i> )	–	65,206
Gain on disposal of property, plant and equipment, net	171	–
Gain on derecognition of investment properties upon transfer to finance lease receivables ( <i>Note 31</i> )	1,686	–
Gain on early redemption of promissory note ( <i>Note 34</i> )	2,319	–
	<b>4,176</b>	65,206
	<b>7,192</b>	67,875

*Note:* During the year ended 31 December 2025, government subsidies granted by the PRC government in respect of providing local employment opportunities in Shanxi, the PRC. No unfulfilled conditions or contingencies were attached to these subsidies.

## 9. FINANCE COSTS

	2025 HKD'000	2024 HKD'000
Interest expenses on bank borrowings	5,878	12,301
Interest expenses on other borrowings	25,690	6,198
Interest expenses on lease liabilities	2,045	1,493
Interest expenses on other payables	11	85
Interest expenses on bonds	1,396	3,605
Interest expenses on promissory note	422	287
Interest expenses on loans from a director	4,752	–
	<b>40,194</b>	23,969

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 10. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax has been arrived at after charging:

	<b>2025</b>	2024
	<b>HKD'000</b>	HKD'000
Directors' and chief executive's emoluments (excluding contributions to retirement benefits scheme)	<b>2,076</b>	1,182
Other staff costs	<b>40,861</b>	17,976
Contributions to retirement benefits scheme ( <i>Note</i> )	<b>3,837</b>	1,849
<b>Total staff costs</b>	<b>46,774</b>	21,007
Auditor's remuneration:		
– Audit services	<b>1,400</b>	1,400
– Non-audit services	<b>678</b>	520
Cost of inventories recognised as expenses	<b>20,860</b>	17,302
Depreciation of property, plant and equipment	<b>11,796</b>	4,909
Depreciation of right-of-use assets	<b>3,199</b>	2,244
Direct operating expenses arising from investment properties that generated rental income during the year	<b>1,613</b>	396
Direct operating expenses arising from investment properties that did not generate rental income during the year	<b>283</b>	331
Expenses relating to short-term leases	<b>284</b>	991
Loss on lease modification	–	334
Loss on written off of property, plant and equipment	–	566

*Note:* As at 31 December 2025, the Group had no forfeited contributions available to reduce its contributions to the retirement benefit schemes in future years (2024: Nil).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 11. INCOME TAX (CREDIT)/EXPENSE

	2025 HKD'000	2024 HKD'000
The PRC Enterprise Income Tax ("EIT")		
– Current tax	2,007	3,457
– Under provision in prior years	130	–
Withholding tax	160	207
	<b>2,297</b>	3,664
Deferred tax (credited)/charged to profit or loss (Note 26)	<b>(6,289)</b>	18,889
	<b>(3,992)</b>	22,553

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdiction in which members of the Group are domiciled and operated.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under these jurisdictions during the year (2024: Nil).

Under the two-tiered profits tax rates regime in Hong Kong, the first HKD2,000,000 of profits of the qualifying group entity will be taxed at 8.25%, and profits above HKD2,000,000 will be taxed at 16.5%. The assessable profits of group entities that are not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% for the years ended 31 December 2025 and 2024.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2025 and 2024, as the Group did not have assessable profits subject to Hong Kong Profits Tax during both years.

The PRC EIT has been provided at the rate of 25% (2024: 25%) on the taxable profits of the Group's subsidiaries in the PRC during the year ended 31 December 2025, except for one of the subsidiaries operating in the PRC which is a qualified small and micro-sized enterprise under Caishui [2023] No. 12 and is eligible for using EIT rate at 5% (2024: 5%).

The withholding tax is calculated at the rate of 10% on total rental income derived prevailing in the PRC jurisdiction for both years.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 11. INCOME TAX (CREDIT)/EXPENSE (Continued)

The income tax expense for the year can be reconciled to the (loss)/profit before income tax as follows:

	2025 HKD'000	2024 HKD'000
(Loss)/profit before income tax	(56,461)	35,884
Tax at domestic income tax rate	(12,051)	10,643
Tax effect of expenses not deductible for tax purpose	11,455	15,766
Tax effect of income not taxable for tax purpose	(7,659)	(8,041)
Tax effect of tax losses not recognised	4,314	5,486
Utilisation of tax losses previously not recognised	(349)	(215)
Tax effect of temporary differences not recognised	8	(1,293)
Under provision in prior years	130	–
Withholding tax	160	207
Income tax (credit)/expense	(3,992)	22,553

## 12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's emoluments for the years, disclosed pursuant to the applicable Listing Rules and Hong Kong Companies Ordinance, is as follows:

For the year ended 31 December 2025

	Fees HKD'000	Salaries and other benefits in kind HKD'000	Contributions to retirement benefits scheme HKD'000	Total HKD'000
<b>Executive directors</b>				
Ms. Wang Qian ( <i>Chair lady</i> ) ( <i>Note (i)</i> )	–	300	15	315
Mr. Yu Qingrui	–	120	6	126
Mr. Liang Jian ( <i>Note (i)</i> )	–	259	8	267
Mr. Su Wei	–	120	6	126
Mr. Lai Long Wai (“ <b>Mr. Lai</b> ”)	–	917	16	933
Sub-total	–	1,716	51	1,767
<b>Independent non-executive directors</b>				
Mr. He Yi	120	–	–	120
Mr. Guo Yaoli	120	–	–	120
Mr. Bong Chin Chung	120	–	–	120
Sub-total	360	–	–	360
Total	360	1,716	51	2,127

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (*Continued*)

For the year ended 31 December 2024

	Fees HKD'000	Salaries and other benefits in kind HKD'000	Contributions to retirement benefits scheme HKD'000	Total HKD'000
<b>Executive directors</b>				
Ms. Wang Qian ( <i>Chairlady</i> ) ( <i>Note (i)</i> )	–	300	15	315
Mr. Yu Qingrui	–	182	9	191
Mr. Yu Zhenzhong ( <i>Note (ii)</i> )	–	–	–	–
Mr. Liang Jian ( <i>Note (i)</i> )	–	–	–	–
Mr. Su Wei	–	180	9	189
Mr. Lai	–	120	6	126
Sub-total	–	782	39	821
<b>Independent non-executive directors</b>				
Mr. He Yi	160	–	–	160
Mr. Guo Yaoli	120	–	–	120
Mr. Bong Chin Chung	120	–	–	120
Sub-total	400	–	–	400
Total	400	782	39	1,221

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 12. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS *(Continued)*

Notes:

- (i) Mr. Liang Jian resigned the role of Chairman and Chief Executive Officer of the Company and Ms. Wang Qian was appointed the role of Chairlady of the Company on 31 July 2024.
- (ii) Mr. Yu Zhenzhong resigned as an executive director of the Company on 31 July 2024.
- (iii) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.
- (iv) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

During the years ended 31 December 2025 and 2024, no directors of the Company 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 39(a). The amount of the benefits in relation to the share options has been determined in the sole discretion of the board of directors.

During the years ended 31 December 2025 and 2024, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable. No consideration was provided to or receivable by third parties for making available directors' services. There were no loans, quasi-loans or other dealings in favour of directors, their controlled bodies corporate and connected entities.

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the directors or chief executive of the Company and the five highest paid employees as an inducement to join, or upon joining the Group, or as compensation for loss of office.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

Save as disclosed elsewhere in the financial statements, no 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 had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year included one director (2024: none director), details of whose remuneration are set out in Note 12 above. Details of the remuneration of the remaining four (2024: five) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HKD'000	2024 HKD'000
Salaries, bonuses and other benefits in kind	2,546	3,714
Contributions to retirement benefits scheme	71	85
	<b>2,617</b>	3,799

The number of the highest paid employee(s) who is/are not the directors whose remuneration fell within the following bands is as follows:

	Number of employee(s)	
	2025	2024
Under HKD1,000,000	4	4
HKD1,000,001 to HKD1,500,000	-	1

## 14. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

## 15. (LOSS)/EARNINGS PER SHARE

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

	2025 HKD'000	2024 HKD'000
(Loss)/profit for the year attributable to the owners of the Company for the purpose of basic (loss)/earnings per share	<b>(52,469)</b>	13,494

### Number of shares

	2025 '000	2024 '000
Weighted average number of ordinary shares for the purpose of basic (loss)/earnings per share	<b>292,491</b>	241,322

The amount of diluted (loss)/earnings per share is the same as the amount of basic (loss)/earnings per share as there was no dilutive potential shares to be issued for the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT

	Self-owned hotel premises HKD'000	Leasehold improvements HKD'000	Motor vehicles HKD'000	Furniture, fixtures, office equipment and hotel operating equipment HKD'000	Construction in progress HKD'000	Total HKD'000
<b>Cost</b>						
At 1 January 2024	-	759	1,773	2,310	-	4,842
Addition	4,262	-	710	4,614	1,938	11,524
Acquired through assets acquisition (Notes 40(d), (e) and (f))	145,792	-	3,646	1,936	323	151,697
Acquired through business combination (Note 40(c))	-	-	666	576	5,609	6,851
Transfer	-	-	-	7,547	(7,547)	-
Written off	-	(759)	-	(251)	-	(1,010)
Exchange realignment	(1,587)	-	(101)	(288)	(5)	(1,981)
<b>At 31 December 2024 and 1 January 2025</b>	<b>148,467</b>	<b>-</b>	<b>6,694</b>	<b>16,444</b>	<b>318</b>	<b>171,923</b>
Addition	279	-	5	420	504	1,208
Acquired through business combination (Note 40(a))	-	116	-	1	-	117
Disposal of a subsidiary (Note 41(a))	-	-	-	(1,660)	-	(1,660)
Transfer	-	-	-	553	(553)	-
Disposal	-	-	(436)	-	-	(436)
Exchange realignment	6,241	-	198	629	12	7,080
<b>At 31 December 2025</b>	<b>154,987</b>	<b>116</b>	<b>6,461</b>	<b>16,387</b>	<b>281</b>	<b>178,232</b>
<b>Accumulated depreciation and impairments</b>						
At 1 January 2024	-	264	1,773	2,235	-	4,272
Charged for the year	3,118	-	994	797	-	4,909
Written off	-	(264)	-	(180)	-	(444)
Exchange realignment	(64)	-	(16)	(14)	-	(94)
<b>At 31 December 2024 and 1 January 2025</b>	<b>3,054</b>	<b>-</b>	<b>2,751</b>	<b>2,838</b>	<b>-</b>	<b>8,643</b>
Charged for the year	7,784	49	1,290	2,673	-	11,796
Disposal of a subsidiary (Note 41(a))	-	-	-	(1,660)	-	(1,660)
Disposal	-	-	(158)	-	-	(158)
Exchange realignment	302	-	65	94	-	461
<b>At 31 December 2025</b>	<b>11,140</b>	<b>49</b>	<b>3,948</b>	<b>3,945</b>	<b>-</b>	<b>19,082</b>
<b>Net carrying amount</b>						
<b>At 31 December 2025</b>	<b>143,847</b>	<b>67</b>	<b>2,513</b>	<b>12,442</b>	<b>281</b>	<b>159,150</b>
At 31 December 2024	145,413	-	3,943	13,606	318	163,280

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 16. PROPERTY, PLANT AND EQUIPMENT (*Continued*)

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Self-owned hotel premises	5%
Leasehold improvements	Over the shorter of the lease terms or 20%
Motor vehicles	25% to 33%
Furniture, fixtures, office equipment and hotel operating equipment	10% to 33%

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 17. RIGHT-OF-USE ASSETS

	Leasehold land of a self- owned hotel premises HKD'000 (Note (i))	Hotel premises under lease arrangement HKD'000	Office premises HKD'000	Total HKD'000
<b>Cost</b>				
At 1 January 2024	–	–	4,852	4,852
Additions	–	6,312	–	6,312
Acquired through assets acquisition (Note 40(f))	18,634	–	–	18,634
Lease modification (Note 31)	–	(1,095)	(4,190)	(5,285)
Exchange realignment	(191)	(94)	–	(285)
At 31 December 2024 and 1 January 2025	<b>18,443</b>	<b>5,123</b>	<b>662</b>	<b>24,228</b>
Acquired through business combination (Note 40(a))	–	–	292	292
Lease modification (Note 31)	–	–	309	309
Expiry of a lease agreement	–	–	(662)	(662)
Exchange realignment	774	215	–	989
<b>At 31 December 2025</b>	<b>19,217</b>	<b>5,338</b>	<b>601</b>	<b>25,156</b>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2024	–	–	3,007	3,007
Charged for the year	285	1,029	930	2,244
Lease modification (Note 31)	–	(701)	(3,547)	(4,248)
Exchange realignment	(3)	(6)	–	(9)
At 31 December 2024 and 1 January 2025	<b>282</b>	<b>322</b>	<b>390</b>	<b>994</b>
Charged for the year	690	1,958	551	3,199
Expiry of a lease agreement	–	–	(662)	(662)
Exchange realignment	27	57	–	84
<b>At 31 December 2025</b>	<b>999</b>	<b>2,337</b>	<b>279</b>	<b>3,615</b>
<b>Net carrying amount</b>				
<b>At 31 December 2025</b>	<b>18,218</b>	<b>3,001</b>	<b>322</b>	<b>21,541</b>
At 31 December 2024	18,161	4,801	272	23,234

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 17. RIGHT-OF-USE ASSETS (Continued)

	2025 HKD'000	2024 HKD'000
Within financing cash flows – fixed payments	5,336	4,646
Within operating cash flows – expenses relating to short-term leases	284	991
<b>Total cash outflow for leases</b>	<b>5,620</b>	5,637

During the years ended 31 December 2025 and 2024, the Group leased hotel premises and office premises for its daily operations. Lease contracts were entered into for fixed terms from 2 to 3 years.

Note:

- (i) The Group owns a hotel premises and is the registered owner of this property interest, including the underlying leasehold land. Lump sum consideration were made upfront to acquire this leasehold land together with the hotel premises (Note 40(f)), and there are no ongoing payments to be made under the terms of the land lease. The leasehold land components of this owned property is presented separately because the payments made can be allocated reliably.

## 18. INVESTMENT PROPERTIES

	2025 HKD'000	2024 HKD'000
Investment properties self-owned by the Group	1,090,867	956,009
Leased property under operating lease	15,128	15,405
	<b>1,105,995</b>	971,414
<b>Geographical location of the assets</b>		
Hong Kong	663,100	564,000
The PRC	442,895	407,414
	<b>1,105,995</b>	971,414

At 31 December 2025, the Group's investment properties located in Hong Kong, with carrying amount to approximately HKD574,000,000 have been pledged to secure the bank borrowings to the Group (Note 32).

At 31 December 2024, one of the Group's investment properties located in Hong Kong, with carrying amount amounting to approximately HKD252,000,000, has been pledged to secure the bank borrowings and other borrowings granted to the Group (Notes 32 and 33). Another investment property located in Hong Kong, with carrying amount amounting to approximately HKD312,000,000 has been pledged to secure the bank borrowings granted to the Group (Note 32).

During the year ended 31 December 2025 and 2024, the Group leased shopping center premises and sublease to a tenant. Lease contract was entered into for fixed terms 20 years.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 18. INVESTMENT PROPERTIES (*Continued*)

The Group's investment properties are measured using the fair value model. Movement during the year is shown as follow:

	2025 HKD'000	2024 HKD'000
<b>Fair value</b>		
At 1 January	971,414	770,723
Addition ( <i>Note (a)</i> )	96,947	597
Acquired through assets acquisition ( <i>Notes 40(b), (d) and (e)</i> )	54,769	308,800
Changes in fair value recognised in profit or loss ( <i>Note (b)</i> )	(34,557)	(58,399)
Derecognised upon transfer to finance lease receivables ( <i>Note 31</i> )	(798)	–
Disposal of subsidiaries ( <i>Note 41(b)</i> )	–	(38,500)
Exchange realignment	18,220	(11,807)
At 31 December	<b>1,105,995</b>	971,414

Notes:

- (a) During the year ended 31 December 2025, amounting to approximately HKD88,000,000 which included in addition was the property transferred from Mr. Lai as disclosed in Note 36(i) and amount to approximately HKD798,000 was leased a shopping center premises from a lessor.
- (b) During the year ended 31 December 2025, amounting to approximately HKD34,557,000 (2024: HKD57,199,000) included in the changes in fair value recognised in profit or loss was the unrealised losses of investment properties held at the end of reporting period.

### Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties at 31 December 2025 have been arrived at on the basis of a valuation carried out by Masterpiece Valuation Advisory Limited ("**Masterpiece**") (2024: CBRE Hong Kong Limited ("**CBRE**") and Masterpiece), firms of independent qualified professional valuers, which are not connected to the Group. Masterpiece (2024: CBRE and Masterpiece) has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The fair value of investment properties is a level 3 fair value measurement. The reconciliation of the opening and closing fair value balance is shown as the above table.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 18. INVESTMENT PROPERTIES (Continued)

### Fair value measurement of the Group's investment properties (Continued)

The fair value of investment properties was estimated using market comparison approach and discounted cash flow method. Fair values are based on prices for recent market transaction in similar properties with significant adjustments for differences in the location or condition of the Group's investment properties, as well as the lease payments over the lease term and the discount rate. These adjustments are based on unobservable inputs.

Significant unobservable inputs	Range of unobservable inputs		Relationship of unobservable inputs to fair value
	Hong Kong	The PRC	
(Discount)/premium on quality of properties (e.g. location, size and condition of the properties)	(13.7)% to 20.0% (2024: (27.7)% to (4.3)%)	(10.0)% to 10.0% (2024: (14.5)% to 18%)	The higher/lower premium or lower/higher discount for the quality of the Group's properties, the higher/lower the fair value
Selling price per unit of market comparables, taking into account difference such as age and location	HKD28,472 to HKD50,419 (2024: HKD30,688 to HKD43,689) per square feet	Renminbi ("RMB") 6,224 (equivalent to approximately HKD6,752) to RMB158,824 (equivalent to approximately HKD172,282 (2024: RMB2,315 (equivalent to approximately HKD2,463) to RMB130,691 (equivalent to approximately HKD139,082)) per square meter	The higher/lower the selling price per unit of market comparables, the higher/lower the fair value
Discount rate	N/A	10.11% (2024: 10.11%)	The higher/lower the discount rate, the lower/higher the fair value

There were no changes to the valuation techniques during the year.

The fair value measurement is based on the investment properties' highest and best use, which does not differ from their actual use.

During the years, there were no transfers into or out of Level 3 or any other Level.

As at 31 December 2025, the Group is in the process of applying for registration of the ownership certificates for certain of its properties located at the PRC with an aggregate carrying amount of approximately RMB104,760,000 (equivalent to approximately HKD116,168,000) (2024: RMB107,780,000 (equivalent to approximately HKD114,699,000)). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy or use these properties.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 19. GOODWILL

	2025 HKD'000	2024 HKD'000
<b>Carrying amount</b>		
At 1 January	1,527	–
Acquisition of subsidiaries ( <i>Notes 40(a) and (c)</i> )	1,692	1,562
Exchange realignment	65	(35)
At 31 December	<b>3,284</b>	1,527

Goodwill acquired through business combinations of asset management services as detailed in Note 40(a) and hotel operation and ancillary business as detailed in Note 40(c).

The carrying amounts of goodwill allocated to each of the CGUs is as follows:

	2025 HKD'000	2024 HKD'000
SR Junting (as defined in <i>Note 45</i> ) CGU	1,495	1,434
SR Hotel Management (as defined in <i>Note 45</i> ) CGU	97	93
Excelerate (as defined in <i>Note 45</i> ) CGU	1,692	–
	<b>3,284</b>	1,527

The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The discount rates used of 9.18%, 9.18% and 8.19% for SR Junting CGU, SR Hotel Management CGU and Excelerate CGU respectively (2024: 10.0%, 10.0% and Nil) that reflect specific risks relating to the relevant unit. Management determined the budgeted gross margin based on past performance and its expectations for the market development. The cash flows beyond five years have been extrapolated using a steady 3%, 3% and 4% (2024: 5%, 5% and Nil) per annum growth rate or SR Junting CGU, SR Hotel Management CGU and Excelerate CGU respectively. The growth rate used does not exceed the long-term average growth rates for the businesses in which the CGUs operate.

Management has calculated that the value in use of the CGUs is greater than the total carrying amount of the CGUs and the respective allocated goodwill and therefore has concluded that there is no impairment in respect of the Group's goodwill during the years ended 31 December 2025 and 2024.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amount of the business to exceed their respective recoverable amounts.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 20. INTEREST IN AN ASSOCIATE

	2025 HKD'000	2024 HKD'000
Cost of investment in an associate, unlisted	559	559
Share of accumulated losses of an associate	(559)	(559)
	-	-

On 8 October 2019, Smart Prosper Enterprises (International) Limited, a wholly-owned subsidiary of the Company, entered into an incorporation agreement with the independent third parties for the formation of 揚州越界未來健康科技有限公司 (“揚州越界”) and the Group subscribed for 30% equity interests of 揚州越界. The subscription consideration was equivalent to RMB1,980,000 (equivalent to approximately HKD2,196,000) (2024: RMB1,980,000 (equivalent to approximately HKD2,107,000)).

揚州越界 is principally engaged in trading and development of beauty and health product in the PRC. The Group explores opportunities in these core businesses to create long-term value for its shareholders. The Group considered it has significant influence over 揚州越界 due to the Group has the right to appoint 2 out of 5 directors of 揚州越界, representing 40% of the board of directors of 揚州越界.

As at 31 December 2025, the Group had paid RMB500,000 (equivalent to approximately HKD559,000) (2024: RMB500,000 (equivalent to approximately HKD559,000)) in aggregate for the registered capital of 揚州越界. As at 31 December 2025, the Group shall pay the remaining registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,637,000) (2024: RMB1,480,000 (equivalent to approximately HKD1,575,000)) within two years after the date of issuance of business license as detailed in Note 43(b).

The particulars of the associate of the Group as at 31 December 2025 and 2024 were as follows:

Name	Particulars of registered capital	Place of establishment	Proportion of ownership interest attributable to the Group		Principal activities and place of operation
			2025	2024	
揚州越界	RMB6,600,000	The PRC	30%	30%	Trading and development of beauty and health product in the PRC

The share of loss of 揚州越界, an immaterial associate of the Group for the years ended 31 December 2025 and 2024, is set out below:

	2025 HKD'000	2024 HKD'000
Unrecognised accumulated share of a loss of an associate	7	7

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HKD'000	2024 HKD'000
Listed securities, at fair value:		
Equity securities listed in Hong Kong	8,299	9,909

The below table reconciled the equity securities listed in Hong Kong:

	2025 HKD'000	2024 HKD'000
At 1 January	9,909	10,154
Changes in fair value through other comprehensive income	(1,610)	(245)
At 31 December	8,299	9,909

As at 31 December 2025, the balance represents two (2024: two) listed equity securities which are listed on the Stock Exchange. Details are as follows:

	2025 HKD'000	2024 HKD'000
Equity securities listed in Hong Kong		
CMBC Capital Holdings Limited	5,444	3,944
Smart Fish Wealthlink Holdings Limited (formerly known as Central Wealth Group Holdings Limited) (" <b>Smart Fish</b> ")	2,855	5,965
At 31 December	8,299	9,909

These were irrevocably designated at FVTOCI as the Group considers these investments to be strategic in nature. The fair values of the listed equity securities investments were determined based on the quoted market closing prices on the Stock Exchange. During the years ended 31 December 2025 and 2024, no dividends were received from those equity securities.

At 31 December 2025, the Group's financial assets at FVTOCI with carrying amount of approximately HKD5,444,000 (2024: HKD9,909,000), have been pledged to secure the bank borrowings (Note 32) (2024: other borrowings (Note 33)) granted to the Group.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 22. INVESTMENT IN CORPORATE BOND

	2025 HKD'000	2024 HKD'000
Unlisted corporate bond issued by a Cayman Islands entity	–	14,553

The below table reconciled the financial asset at amortised cost:

	2025 HKD'000	2024 HKD'000
Principal amount	20,000	20,000
Add: accumulated interest incurred	4,064	3,275
Less: accumulated interest received	(4,064)	(750)
Less: Repayment of principal amount	(20,000)	–
	–	22,525
Less: allowance for expected credit losses	–	(7,972)
At 31 December	–	14,553

On 26 October 2022, the Company entered into the subscription agreement with the independent third party (the “**Issuer**”) for the subscription for an unlisted corporate bond issued by a Cayman Islands entity (the “**Corporate Bonds**”), issued at the principal amount of HKD20,000,000, with 7.5% fixed rate per annum payable in semi-annually in arrears and maturity on 25 October 2025 with no redemption option.

The Issuer is an exempted segregated portfolio company incorporated in the Cayman Islands and is engaged in investments in Hong Kong including securities and bonds. The Issuer invested in debts by acquiring the debts from an independent third party at a discount to the face value of the debts, and will invest in undervalued securities and bonds targeting for capital gain. The Group intended to hold and collect the repayments of principal and interest from the investment in corporate bond.

On 11 July 2025, the Group entered a mutual redemption agreement with the Issuer and redeemed the Corporate Bonds in the amount of approximately HKD23,314,000 which included the principal amount of HKD20,000,000 and the interest incurred in amount of approximately HKD3,314,000 during the year ended 31 December 2025.

As at 31 December 2024, the provision for expected credit loss on investment in Corporate Bond amounted to approximately HKD7,972,000. As a result of redemption, such provision was reversed and derecognised during the year ended 31 December 2025. Further details on the Group’s credit policy are set out in Note 48(b)(i).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 HKD'000	2024 HKD'000
Financial assets held for trading, at fair value:			
Equity securities listed in Hong Kong	(i)	59,341	76,233
An unlisted investment fund in Cayman Islands	(ii)	–	38,720
Financial products in the PRC	(iii)	524	368
		<b>59,865</b>	115,321

The below table reconciled the movement of financial assets at FVTPL during the years:

	2025 HKD'000	2024 HKD'000
At 1 January	115,321	88,833
Additions	207	117
Acquired through assets acquisition ( <i>Note 40(d)</i> )	–	256
Disposals	(60,888)	(2,411)
Changes in fair value	5,205	28,532
Exchange realignment	20	(6)
At 31 December	<b>59,865</b>	115,321

Notes:

(i) The below table discloses the components of listed equity securities at FVTPL as at year ended 31 December 2025:

Stock code	Name of the investees	Percentage of equity interests	Number of shares held	Total HKD'000
139	Smart Fish	0.69%	8,447,000	1,132
2276	Shanghai Conant Optical Co. Ltd.	0.21%	1,020,000	55,080
2436	LX Technology Group Limited	0.15%	540,000	2,457
2469	Fenbi Ltd.	0.01%	240,000	492
6908	HG Semiconductor Limited	0.04%	390,000	180
				<b>59,341</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Notes: (Continued)

(i) (Continued)

The below table discloses the components of listed equity securities at FVTPL as at year ended 31 December 2024:

Stock code	Name of the investees	Percentage of equity interests	Number of shares held	Total HKD'000
139	Smart Fish	2.900%	501,214,000	7,017
412	Shandong Hi-speed Holdings Group Limited	0.105%	6,310,500	40,955
2276	Shanghai Conant Optical Co. Ltd.	0.239%	1,020,000	25,398
2436	LX Technology Group Limited	0.153%	540,000	1,987
2469	Fenbi Ltd.	0.011%	240,000	615
6908	HG Semiconductor Limited	0.052%	390,000	261
				76,233

As at 31 December 2025 and 2024, the fair values of equity securities listed in Hong Kong were determined based on the quoted market closing prices on the Stock Exchange for listed equity securities. During the year ended 31 December 2025, the dividends received from these equity securities was approximately HKD312,000 (2024: HKD323,000).

(ii) The Group had invested in a segregated portfolio of an exempted company incorporated with limited liability under the laws of Cayman Islands (the "**Cayman Fund**") by the subscription of redeemable non-voting participating shares of the Cayman Fund at a consideration of HKD32,000,000 with primary objectives for capital appreciation and investment income.

Pursuant to subscription agreement or relevant documents, the beneficial interest held by the Group in the Cayman Fund are in the form of participating shares or interests which primarily provide the Group with the share of returns from the investments but no decision making power nor any voting right to involve in and control the daily operation of the Cayman Fund. The Cayman Fund was set up and managed by an investment manager who is independent third party of the Group, and has the power and authority to manage and make decisions for the investments. In the opinion of the directors of the Company, the Group does not have control on the Cayman Fund. Therefore, the Group does not consolidate the Cayman Fund to its consolidated financial statements and classified such investment as the fund investment at fair value through profit or loss. As at 31 December 2024, the Group held the entire participating shares of the Cayman Fund. During the year ended 31 December 2025, the Group redeemed the entire participating shares of the Cayman fund at a consideration of approximately HKD22,892,000.

The fair value of the Cayman Fund as at the end of the reporting period was estimated by the management of the Company by reference to the quarterly performance reports of the Cayman Fund issued by the fund administrator. During the year ended 31 December 2024, the fair value gain on the Cayman Fund of approximately HKD12,429,000 was recognised in the consolidated profit or loss.

(iii) The Group entered into a financial product contract with bank in the PRC. The investments are yield enhancement deposits with expected but not guaranteed rates of return. The expected rates of return was 1.58% (2024: 1.76%) per annum for the year ended 31 December 2025, which were determined by reference to the returns of the underlying investments.

At 31 December 2025, the Group's financial assets at FVTPL with carrying amount of approximately HKDNil (2024: HKD11,291,000), have been pledged to secure the other borrowings granted to the Group (Note 33).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 24. INVENTORIES

	2025 HKD'000	2024 HKD'000
Food and beverages and other consumables	1,049	1,417

## 25. LOAN AND INTEREST RECEIVABLES

	Notes	2025 HKD'000	2024 HKD'000
From money lending business (including interest receivables of approximately HKD1,666,000 (2024: HKD16,857,000))	(i)	53,136	170,863
Less: Allowance for expected credit losses		(18,205)	(16,852)
		<b>34,931</b>	154,011
Note receivables (including interest receivables of approximately HKDNil (2024: HKD940,000))	(ii)	–	9,820
Less: Allowance for expected credit losses		–	–
		–	9,820
		<b>34,931</b>	163,831

### Notes:

- (i) The loan receivables from 4 (2024: 7) independent borrowers bear fixed interest rates ranging from 5% to 7.7% (2024: 5% to 7.7%) per annum and repayable according to the respective loan agreements. As at 31 December 2025, loan and interest receivables (net of expected credit loss) of approximately HKD25,613,000 (2024: HKD27,613,000) and HKDNil (2024: HKD103,037,000) are secured by certain properties and equity interest of a company listed in Hong Kong respectively, while approximately HKD9,318,000 (2024: HKD23,361,000) were unsecured.

As at 31 December 2025, secured loan and interest receivables (net of expected credit loss) amounting to approximately HKD25,613,000 (2024: HKD27,613,000) due from 2 independent borrowers were matured as at 31 December 2024, which would be settled by December 2025 as negotiated with these borrowers. After further negotiation during the year, these loan and interest receivables will be assigned to Mr. Lai with details set out in Note 50. These loan and interest receivables are secured by certain properties in the PRC with fair value amounting to approximately HKD31,360,000 (2024: HKD 35,140,000) as at 31 December 2025.

As at 31 December 2025, an unsecured loan and interest receivable (net of expected credit loss) amounting to approximately HKD9,318,000 (2024: HKD 9,790,000) due from an independent borrower was matured as at 31 December 2025. After further negotiation during the year, these loan and interest receivables will be assigned to Mr. Lai with details set out in Note 50.

On 23 December 2024, certain unsecured loan and interest receivables with gross balances amounting to approximately HKD13,571,000 from 2 independent borrowers were agreed to be assigned to one of the directors of the Company. Such assignment was completed on 30 June 2025 with details as disclosed in Note 36(i). As at 31 December 2024, the Group recognised a reversal of provision for expected credit loss allowance on these loan and interest receivables of approximately HKD8,013,000.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 25. LOAN AND INTEREST RECEIVABLES (Continued)

Notes: (Continued)

(i) (Continued)

In 2019, the Group has granted an aggregate irrevocable loan facility to Smart Fish and the loan facilities were renewed upon maturities. As at 31 December 2024, the gross loan and interest receivable from Smart Fish amounted to approximately HKD103,037,000, which is secured by shares of a company listed on the Hong Kong Stock Exchange ("Charged Shares"), bearing interest rate at 7% per annum and with maturity date on 31 December 2024.

On 27 February 2025, the Group and Smart Fish entered into the conditional new loan agreement, pursuant to which the parties agreed that the (1) availability period and repayment date of the outstanding loans and interest receivables shall be extended from 31 December 2024 to 31 December 2025 (or 31 December 2026 at the sole discretion of Globally Finance as defined in Note 45); and (2) the principal amount of the loans and interest receivables will be approximately HKD91,983,000 with effect from 20 February 2025, which was approved by the shareholders of the Company at the EGM on 17 April 2025.

As at 31 December 2024, the Group remained Charged Shares with fair value of approximately HKD424,160,000. During the year ended 31 December 2025, the Group entered an agreement with Smart Fish and mutually agreed to dispose of the remaining Charged Shares in the stock market and resulting in net proceeds of approximately HKD323,706,000 received by the Group, in which approximately HKD95,741,000 was used to fully settle the outstanding loan and interest receivables due from Smart Fish and the remaining balance of approximately HKD227,965,000 was returned to Smart Fish.

Included in the gross amounts of loan and interest receivables of the Group as at 31 December 2025 and 2024, amounting to HKD11,388,000 (2024: HKD11,388,000) from an independent borrower was under winding-up procedure and the outstanding balance due from this borrower has been fully impaired.

(ii) In 2023, the Group subscribed two short-term notes from two independent issuers at a consideration of HKD7,800,000 and HKD5,000,000, which both carried 5.5% interest rate per annum and due on the maturity date on 2 March 2024 and 8 March 2024, respectively. The note receivables were secured by certain bonds or listed securities with fair value of approximately HKD7,800,000 and HKD5,425,000 respectively at the date of subscription.

On 23 December 2024, the note receivables with gross carrying amounts of approximately HKD9,820,000 were agreed to assign to one of the directors of the Company. Such assignment was completed on 30 June 2025 with details as disclosed in Note 36(i). As at 31 December 2024, the Group recognised a reversal of provision for expected credit loss allowance of approximately HKD3,511,000.

The movement of the gross carrying amount of loan and interest receivables from money lending business and note receivables is as follows:

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2024	110,036	94,969	21,649	226,654
Additions	7,344	2,057	–	9,401
Repayments	(772)	(44,339)	(10,261)	(55,372)
Transfer to stage 2	(13,571)	13,571	–	–
At 31 December 2024 and 1 January 2025	<b>103,037</b>	<b>66,258</b>	<b>11,388</b>	<b>180,683</b>
Additions	<b>4,704</b>	<b>881</b>	–	<b>5,585</b>
Repayments	<b>(107,741)</b>	<b>(2,000)</b>	–	<b>(109,741)</b>
Transfer to amount due from a director (Note 36(i))	–	<b>(23,391)</b>	–	<b>(23,391)</b>
<b>At 31 December 2025</b>	<b>–</b>	<b>41,748</b>	<b>11,388</b>	<b>53,136</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 25. LOAN AND INTEREST RECEIVABLES *(Continued)*

The movement of provision for ECL of loan and interest receivables from money lending business and note receivables is as follows:

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2025	–	5,464	11,388	16,852
Additions	–	316	–	316
Change in risk parameters	–	1,037	–	1,037
At 31 December 2025	–	6,817	11,388	18,205
ECL rate	–	16.33%	100%	34.26%

	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Total HKD'000
At 1 January 2024	2,486	14,502	11,388	28,376
Additions	109	516	–	625
Repayments	(141)	(5,820)	–	(5,961)
Change in risk parameters	–	(6,188)	–	(6,188)
Transfer to stage 2	(2,454)	2,454	–	–
At 31 December 2024	–	5,464	11,388	16,852
ECL rate	–	8.25%	100%	9.33%

The loan receivables and notes receivables have been reviewed by the management of the Group to assess impairment which are based on the evaluation of collectability, ageing analysis of accounts and on management's judgment, including the current creditworthiness and the past statistics of individually significant accounts.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 25. LOAN AND INTEREST RECEIVABLES *(Continued)*

Mr. Yu Qingrui is a common director of Smart Fish and the Company. Loan and interest receivables of the Group disclosed pursuant to Section 383 of the Hong Kong Company Ordinance (Cap. 622) and the Companies (Disclosure of information about Benefits of Directors) Regulation (Cap. 622G) are as follows:

	<b>Maximum amount outstanding during the year</b>	<b>2025</b>	<b>2024</b>
	HKD'000	HKD'000	HKD'000
Gross loans to Smart Fish (including interest receivables of approximately HKDNil (2024: HKD14,005,000))	107,741	–	103,037

## 26. DEFERRED TAX

The following is a summary of the deferred tax balances of the Group for financial reporting purposes:

	<b>2025</b>	<b>2024</b>
	HKD'000	HKD'000
Deferred tax assets	<b>3,004</b>	2,781
Deferred tax liabilities	<b>(15,030)</b>	(20,375)
	<b>(12,026)</b>	(17,594)

The movements in deferred tax during the year are as follows:

	<b>Credit loss allowances</b>	<b>Modification of other borrowings</b>	<b>Total</b>
	HKD'000	HKD'000	HKD'000
At 1 January 2024	6,877	–	6,877
Acquired through assets acquisition <i>(Notes 40(f))</i>	–	(5,829)	(5,829)
Deferred tax charged to the profit or loss <i>(Note 11)</i>	(4,096)	(14,793)	(18,889)
Exchange realignment	–	247	247
At 31 December 2024 and 1 January 2025	<b>2,781</b>	<b>(20,375)</b>	<b>(17,594)</b>
Deferred tax credited to the profit or loss <i>(Note 11)</i>	<b>223</b>	<b>6,066</b>	<b>6,289</b>
Exchange realignment	–	<b>(721)</b>	<b>(721)</b>
<b>At 31 December 2025</b>	<b>3,004</b>	<b>(15,030)</b>	<b>(12,026)</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 26. DEFERRED TAX (Continued)

At the end of the reporting period, the Group had unused tax losses of approximately HKD193,591,000 (2024: HKD183,347,000) available to offset against future profits sourced in Hong Kong. Such unused tax losses are subject to the approval of the Hong Kong Inland Revenue Department and may be carried forward indefinitely. Also, at the end of the reporting period, the Group had unused tax losses of approximately RMB56,888,000 (equivalent to approximately HKD63,083,000 (2024: RMB35,819,000 (equivalent to approximately HKD38,119,000)) available to offset against future profits sourced in the PRC. Such unused tax losses are subject to the approval of the PRC tax authorities and can be carried forward for five years from the year when the corresponding loss was incurred. No deferred tax asset has been recognised due to unpredictability of future profit streams.

Pursuant to the EIT Law, 10% withholding tax is imposed on dividends declared in respect of profits earned from 1 January 2008 onwards to non-PRC tax resident investors for the companies established in the PRC. For qualified investors incorporated in Hong Kong, a treaty rate of 5% will be applicable.

As at 31 December 2025, the Group has not recognised the provision of the PRC withholding tax of approximately RMB2,114,000 (equivalent to approximately HKD2,344,000) (2024: RMB4,280,000 (equivalent to approximately HKD4,583,000)) in relation to the undistributed profits of certain PRC subsidiaries totaling approximately RMB21,140,000 (equivalent to approximately HKD23,440,000) (2024: RMB42,803,000 (equivalent to approximately HKD45,827,000)), as the Company is in a position to control the dividend policy of the PRC subsidiaries and it has been determined that it is probable that undistributed profits of the PRC subsidiaries will not be distributed in the foreseeable future.

## 27. TRADE AND OTHER RECEIVABLES

	Notes	2025 HKD'000	2024 HKD'000
Trade receivables, gross		<b>15,187</b>	17,319
Less: Allowance for expected credit losses ( <i>Note 48(b)(iii)</i> )		<b>(8,913)</b>	(5,455)
Trade receivables, net	(i)	<b>6,274</b>	11,864
Other receivables, gross		<b>6,742</b>	10,295
Less: Allowance for expected credit losses ( <i>Note 48(b)(i)</i> )		<b>(1,889)</b>	(1,502)
Other receivables, net	(ii)	<b>4,853</b>	8,793
Deposit and prepayment	(iii)	<b>2,256</b>	2,237
Finance lease receivables	(iv)	<b>1,695</b>	–
Other tax recoverable		<b>11,795</b>	12,351
		<b>26,873</b>	35,245
Less: Finance lease receivables classified as non-current asset		<b>(856)</b>	–
		<b>26,017</b>	35,245

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 27. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes:

### (i) Trade receivables

As at 1 January 2024, trade receivables from contracts with customers amounted to approximately HKD1,612,000.

As at 31 December 2025, trade receivables mainly comprise amounts receivable from hotel operation and ancillary business, property investment, management and agency services and asset management services (2024: hotel operation and ancillary business and property investment, management and agency services). No interest was charged on trade receivables.

The following is an ageing analysis of trade receivables presented based on the invoice dates, which approximated the respective revenue recognition dates:

	2025 HKD'000	2024 HKD'000
0–30 days	5,590	10,518
31–90 days	878	650
91–180 days	903	940
181–360 days	1,925	2,450
Over 360 days	5,891	2,761
Less: Allowance for expected credit losses	(8,913)	(5,455)
	<b>6,274</b>	<b>11,864</b>

### (ii) Other receivables

As at 31 December 2022, included in other receivables were the gross receivables of considerations (the “**Consideration**”) in relation to the transfer of certain Charged Shares to two independent third parties of approximately HKD45,746,000 in 2022. On 22 March 2024, Globally Finance assigned the Considerations to the Company at a consideration of approximately HKD45,746,000.

In 2023, the Company, as the assignee, entered into a deed of assignment with an independent third party, as the assignor, pursuant to which a debt amounted to approximately HKD21,060,000 plus interests of approximately HKD7,389,000 payable by a debtor of the assignor were assigned by the assignor to the Company in a consideration of HKD20,000,000 (“**Debt Assignment**”). The consideration of HKD20,000,000 paid by the Group was recorded under other receivables as at 31 December 2023. On 22 March 2024, the Company and the assignor voluntarily terminated, rescinded and cancelled the Debt Assignment, and the consideration of HKD20,000,000 shall be refunded by the assignor to the Company (the “**Refund**”).

On 22 March 2024, the Group has conditionally agreed to assign, and Mr. Lai, a director and a substantial shareholder of the Company, has conditionally agreed to accept the assignment of the gross receivables of Considerations in relation to the transfer of Charged Securities and the Refund in relation to the Debt Assignment at a consideration of approximately HKD65,746,000. The assignment was approved in an extraordinary general meeting of the Company on 5 August 2024 and the amount was recorded under amount due from a director (Note 36(i)) as at 31 December 2024.

As at 31 December 2024, the Group recognised a reversal of provision for expected credit loss allowance of HKD23,735,000 in relation to the receivables of Considerations and the receivables of Debt Assignment.

As at 31 December 2025, the other receivables also included the gross rental income receivables in relation to investment properties in the PRC amounting to approximately HKD4,151,000 (2024: HKD5,301,000). As at that date, the Group recognised a provision for expected credit loss allowance of approximately HKD1,889,000 (2024: HKD1,502,000) in relation to the rental income receivables.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 27. TRADE AND OTHER RECEIVABLES *(Continued)*

Notes: *(Continued)*

### (iii) Deposit and prepayment

As at 31 December 2025, the balance mainly comprised prepayments for administrative expenses amounting to approximately HKD1,973,000 (2024: HKD1,988,000), and rental and utility deposits paid amounting to approximately HKD283,000 (2024: HKD249,000).

### (iv) Finance lease receivables

As at 31 December 2025, a leased property under sublease was classified as finance leases as the terms of the sub-lease transfer substantially all the risks and rewards incidental to ownership of head lease to the lessee. Amounts due from lessees under finance leases are recognised as finance lease receivables and have remaining lease terms of 2.4 years.

	2025 HKD'000	2024 HKD'000
Amounts receivables under finance leases		
Within one year	865	–
Within a period of more than one year but not more than two years	865	–
	1,730	–
Less unearned finance income	(35)	–
Present value of lease payments receivable	1,695	–
Analysis into		
– Non-current assets	856	–
– Current assets	839	–
	1,695	–

## 28. CASH AND BANK BALANCES

	2025 HKD'000	2024 HKD'000
Cash and bank balances <i>(Note)</i>	212,322	99,275

*Note:* Cash and bank balances represent cash at banks and on hand. Bank balances carry interest at floating rates based on daily bank deposit rate. The bank balances are deposited with creditworthy banks with no recent history of default.

At 31 December 2025, there was approximately HKD35,855,000 (2024: HKD16,167,000) denominated in RMB and deposited with banks in the PRC, RMB is not freely convertible into other currencies, however, under Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations in the PRC, the Group is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 29. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

	Notes	2025 HKD'000	2024 HKD'000
Trade payables	(i)	6,294	4,651
Other payables	(ii)	46,528	19,798
Accruals	(iii)	7,663	8,993
Other tax payables		167	1,553
Rental income received in advance		2,902	933
Rental deposits received		1,974	2,525
		<b>65,528</b>	<b>38,453</b>

Notes:

### (i) Trade payables

The credit period granted by suppliers of the Group is ranging from 30 days to 90 days for the year (2024: same). The ageing analysis of the trade payables based on invoice date is as follows:

	2025 HKD'000	2024 HKD'000
0–30 days	2,291	2,040
31–90 days	820	223
91–360 days	2,312	302
Over 360 days	871	2,086
	<b>6,294</b>	<b>4,651</b>

### (ii) Other payables

As at 31 December 2025, amounted to HKDNil (2024: HKD2,897,000) represented the loan from an independent third party bearing 3% interest per annum. Interest payable (included in accruals) was approximately HKDNil (2024: HKD207,000) as at 31 December 2025.

As at 31 December 2025, amounted to approximately RMB27,495,000 (equivalent to approximately HKD30,488,000) represented the amount due to an independent third party arising from the acquisition of a subsidiary in Note 40(b). The balance is unsecured, interest-free and repayable on demand.

As at 31 December 2025, amounted to approximately RMB7,855,000 (equivalent to approximately HKD8,710,000) (2024: RMB12,308,000 (equivalent to approximately HKD13,098,000)) and approximately HKDNil (2024: RMB141,000 (equivalent to approximately HKD150,000)) represented the payables to the construction suppliers for the self-owned hotel premises and the suppliers of hotel operating equipment, respectively.

### (iii) Accruals

As at 31 December 2025, the balance mainly comprised accrued professional fee amounting to approximately HKD3,124,000 (2024: HKD3,541,000), and accrued staff costs amounting to approximately HKD3,218,000 (2024: HKD3,374,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 30. CONTRACT LIABILITIES

The Group recognises contract liabilities when a customer pays consideration before the Group recognises the related revenue. The contract liabilities were arising from:

	2025 HKD'000	2024 HKD'000
Hotel operation and ancillary business	1,400	1,294
Property management services	3,776	5,340
	<b>5,176</b>	6,634

Contract liabilities include (i) refundable deposits received in advance from customers in connection with the Group's hotel operation and ancillary business prepaid cards; and (ii) management fees received in advance from property owners in connection with the property management services. Movement of contract liabilities is as follows:

	2025 HKD'000	2024 HKD'000
At 1 January	6,634	–
Acquired through assets acquisition ( <i>Note 40(d)</i> )	–	3,565
Acquired through business combination ( <i>Note 40(c)</i> )	–	327
Increase in contract liabilities as a result of receipt of customer deposits during the year	17,622	20,136
Decrease in contract liabilities as a result of being recognised as revenue during the year	(19,359)	(17,283)
Exchange realignment	279	(111)
At 31 December	<b>5,176</b>	6,634

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 31. LEASE LIABILITIES

Lease liabilities are presented in the consolidated statement of financial position as follows:

	2025 HKD'000	2024 HKD'000
Lease liabilities payable:		
– Within one year	5,150	4,682
– Within a period of more than one year but not more than two years	3,687	5,481
– Within a period of more than two years but not more than five years	6,653	6,385
– More than five years	24,395	25,541
	<b>39,885</b>	42,089
Less: future finance charges	<b>(18,441)</b>	(19,647)
	<b>21,444</b>	22,442
Less: portion classified as current liabilities	<b>(3,238)</b>	(2,699)
Non-current liabilities	<b>18,206</b>	19,743

As at 31 December 2025 and 2024, the Group has leased offices premises, hotel premises and shopping center premises. These leases are reflected on the consolidated statement of financial position as right-of-use assets, investment properties and lease liabilities.

Each lease generally imposes a restriction that the right-of-use asset (except for the shopping center premises under investment properties) can only be used by the Group. The leases do not contain any variable lease payment, extension options and termination option among the lease contracts.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 31. LEASE LIABILITIES (Continued)

During the year ended 31 December 2025, the Group entered into a renewal of office premises. On the lease modification, the Group recognised approximately HKD309,000 of right-of-use assets (Note 17), and approximately HKD309,000 of lease liabilities respectively.

During the year ended 31 December 2025, the Group entered into a lease agreement of shopping center premises with a landlord and entered in a sublease agreement with a tenant. The Group initially recognised approximately HKD2,484,000 of finance lease receivables and decognised approximately HKD798,000 of investment properties (Note 18) and recognised approximately HKD1,686,000 (Note 8) of gain on derecognition of investment properties upon transfer to finance lease receivables.

During the year ended 31 December 2024, the Group entered into a revised lease agreement for the revised rental amount of the hotel premises and early termination of the lease of office premises. On the lease modification, the Group derecognised approximately HKD1,037,000 of right-of-use assets (Note 17) and approximately HKD703,000 of lease liabilities respectively and recognised approximately HKD334,000 of loss on modification.

The table below describes the nature of the Group's leasing activities recognised as right-of-use assets and investment properties in the consolidated statement of financial position as at 31 December 2025 and 2024:

	Incremental borrowing rate		Number of lease		Remaining lease term (Number of months)	
	2025	2024	2025	2024	2025	2024
<b>Right-of-use assets</b>						
Office premises	14.87%	7.60%	1	1	13.5	11
Hotel premises	6.51%	6.51%	1	1	18	30
<b>Finance lease receivable</b>						
Shopping center premises	1.91%	N/A	1	N/A	33.5	N/A
<b>Investment properties</b>						
Shopping center premises	10.11%	10.11%	1	1	210	222

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 32. BANK BORROWINGS

	2025 HKD'000	2024 HKD'000
Secured bank borrowings	<b>199,623</b>	217,368
Represented by:		
Carrying amount of the bank borrowings that are not repayable within one year from the end of the reporting period but contain a repayment on demand clause (shown under current liabilities)	<b>166,521</b>	177,279
Carrying amount repayable within one year	<b>33,102</b>	40,089
	<b>199,623</b>	217,368

Bank borrowings due for repayment, based on the scheduled repayment terms set out in the borrowing agreements and without taking into account the effect of any repayment on demand clause are as follows:

	2025 HKD'000	2024 HKD'000
Within one year	<b>33,102</b>	40,089
More than one year, but within two years	<b>10,941</b>	10,406
More than two years, but within five years	<b>34,659</b>	33,243
More than five years	<b>120,921</b>	133,630
	<b>199,623</b>	217,368

As at 31 December 2025, the bank borrowings bear interest at (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime rate, whichever is the lower, (iii) 2% per annum below HKD Prime Rate). (2024: (i) 2.5% per annum below HKD Prime Rate, (ii) 2% per annum over HIBOR (1 month) or 2.5% per annum below HKD Prime rate, whichever is the lower, (iii) 2.5% per annum over HIBOR (1 week to 1 month)). The weighted average effective interest rates per annum on the bank borrowings are as follows:

	2025	2024
Secured bank borrowings	<b>2.93%–3.32%</b>	3.54%–6.88%

At 31 December 2025, the Group's bank borrowings are secured by the investment properties (Note 18) and financial assets at FVTOCI (Note 21) amounting to approximately HKD574,000,000 and HKD5,444,000 (2024: HKD564,000,000 and HKDNil), respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. OTHER BORROWINGS

	Notes	2025 HKD'000	2024 HKD'000
Other borrowings due to:			
Securities Broker A	(i)	–	50,283
Securities Broker B	(ii)	–	34,906
Securities Broker C	(iii)	–	690
Loans from directors of subsidiaries	(iv)	97,890	86,734
Loans from individual third parties	(v)	234,883	208,824
		<b>332,773</b>	381,437
Represented by:			
Carrying amount of the other borrowings that are repayable within one year from the end of the reporting period and contain a repayment on default clause		–	85,879
Carrying amount repayable within one year		16,972	1,774
Current liabilities		16,972	87,653
More than one year, but within two years		20,036	13,307
More than two years, but within five years		159,722	117,468
More than five years		136,043	163,009
Non-current liabilities		315,801	293,784
		<b>332,773</b>	381,437

Notes:

### (i) Securities Broker A

On 26 March 2018, a wholly owned subsidiary of the Group, Golden Horse Hong Kong Investment Limited (the “**Golden Horse**”) entered into a margin loan account client agreement (the “**Margin Loan Agreement A**”) with Securities Broker A, an independent securities broker. Pursuant to the Margin Loan Agreement A, Securities Broker A provided a margin loan facility to the Group up to HKD82,000,000 (2024: HKD82,000,000).

At 31 December 2024, the Group has utilised approximately HKD50,283,000 of the margin loan facility granted by Securities Broker A. The loan was interest free. During the year ended 31 December 2025, the Group fully repaid the margin loan due to Securities Broker A.

### (ii) Securities Broker B

On 8 June 2018, Golden Horse entered into a revolving loan account client agreement (the “**Revolving Loan Agreement**”) with Securities Broker B, an independent authorised financial institution. Pursuant to the Revolving Loan Agreement, Securities Broker B provided a revolving loan facility to the Group up to HKD35,000,000 (2024: HKD35,000,000) at an interest rate of HKD Prime Rate – 2% per annum. At 31 December 2024, the Group has utilised approximately HKD34,906,000 of the margin loan facility granted by Securities Broker B. During the year ended 31 December 2025, the Group fully repaid the revolving loan due to Securities Broker B.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. OTHER BORROWINGS (Continued)

Notes: (Continued)

### (iii) Securities Broker C

In 2018, the Company entered into certain services agreements with Securities Broker C (the “Margin Financier”). Pursuant to the services agreements, the Margin Financier provided a margin loan facility to the Group with daily maximum amounts not exceeding HKD100,000,000 and margin loan interest not exceeding HKD8,000,000 per annum and at fixed interest rate of 8% per annum. The other borrowings due to the Margin Financier would be repayable on demand and may be varied or terminated in the absolute discretion of the Margin Financier. As at 31 December 2024, the Group has utilised approximately HKD690,000 of the margin loan facility granted by Securities Broker C. During the year ended 31 December 2025, the Group fully repaid the margin loan due to Securities Broker C.

### (iv) Loans from directors of subsidiaries

長治市紫裕物資有限公司, an indirect wholly owned subsidiary of the Company had a loan from a director of the subsidiary with loan balance amounted to approximately of RMB90,810,000 (equivalent to approximately HKD100,699,000) (2024: RMB90,810,000 (equivalent to approximately HKD96,640,000)), which is unsecured and bear fixed interest rate at 3.95% (2024: 3.95%) per annum. The repayment of the loan is based on the scheduled repayment terms and will be matured on 31 May 2034. As at 31 December 2025, the carrying amount of the loan was approximately HKD85,859,000 (2024: HKD76,075,000) with the effective interest rate of 8.33% (2024: 8.33%) per annum.

MLH property (as defined in Note 45), an indirect wholly owned subsidiary of the Company entered into a loan agreement with a director of the subsidiary in October 2024 with loan balance amounted to approximately of RMB13,000,000 (equivalent to approximately HKD14,415,000) (2024: RMB13,000,000 (equivalent to approximately HKD14,087,000)), which is unsecured and bear fixed interest rate at 4% (2024: 4%) per annum. The repayment of the loan is based on the scheduled repayment terms and will be matured on 30 September 2034. The loan agreement is regarded as substantial modification of existing financial liabilities. The gain on substantial modification of HKD3,449,000 is recognised in profit or loss during the year ended 31 December 2024. As at 31 December 2025, the carrying amount of the loan was approximately HKD12,031,000 (2024: HKD10,659,000) with the effective interest rate of 8.32% (2024: 8.32%) per annum.

### (v) Loans from individual third parties

The Group entered into certain loan agreements with certain individual third parties in October 2024 with aggregate loan balances amounted to approximately of RMB250,499,000 (equivalent to approximately HKD277,779,000) (2024: RMB250,499,000 (equivalent to approximately HKD269,970,000)), which are unsecured and bear fixed interest rate at 4% (2024: 4%) per annum. The repayment of the loan is based on the scheduled repayment terms and will be matured on 30 September 2034. The loan agreements are regarded as substantial modification of existing financial liabilities. The gain on substantial modification of HKD61,757,000 is recognised in profit or loss during the year ended 31 December 2024. As at 31 December 2025, the carrying amounts of the loans were approximately HKD234,883,000 (2024: HKD208,824,000) with the effective interest rates ranged from 7.78% to 8.31% (2024: 7.78% to 8.31%) per annum.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. OTHER BORROWINGS (Continued)

The Group's other borrowings due to Securities Broker A, Securities Broker B and Securities Broker C are secured by the following assets:

	Notes	2025 HKD'000	2024 HKD'000
Investment properties	18	–	252,000
Financial assets at FVTOCI	21	–	9,909
Financial assets at FVTPL	23	–	11,291

Partial of the other borrowings amounting to approximately HKDNil (2024: HKD50,283,000) are subject to the fulfilment of covenants, but certain covenants have not been fulfilled. The directors of the Company do not consider that it is probable that the securities brokers will exercise their discretion to demand immediate repayment.

## 34. PROMISSORY NOTE

In 2024, the Group issued a promissory note with principal of HKD13,600,000 for the settlement of part of the consideration for the acquisition of assets as disclosed in Note 40(f) during the year ended 31 December 2024. The promissory note will be matured on 31 July 2027 and bears a fixed interest at 5% per annum which is payable annually in arrears. On 21 February 2025, the promissory note with carrying amount of approximately HKD13,913,000 was settled by issuance of 23,188,310 shares of the Company with the aggregate market value of approximately HKD11,594,000, resulting in a gain on early redemption of promissory note being recognised in consolidated profit or loss amounting to approximately HKD2,319,000 under other income and gains.

On 1 April 2025, the Group issued a promissory note with a principal amount of HKD15,778,000 as partial settlement for the consideration related to the acquisition of assets as detailed in Note 40(b). The promissory note is set to mature on 31 March 2028, and bears a fixed interest at 5% per annum starting from 1 April 2026 and payable annually in arrears. The effective interest rate of the promissory note is 3.33%.

The net carrying amount of approximately HKD16,174,000 (2024: HKD13,887,000) as at 31 December 2025, of which approximately HKD396,000 (2024: HKD287,000) accrued interest and HKD15,778,000 (2024: HKD13,600,000) outstanding principal was classified as non-current liabilities (2024: current liabilities).

## 35. BOND PAYABLES

On 5 January 2023, the Group issued a bond at principal amount of HKD42,200,000 with original maturity date on 4 January 2025 and bears a floating interest at 2.5% per annum over HKD Prime rate and is payable quarterly in arrears. On 27 December 2024, the Group has extended the maturity date to 4 April 2025 with the bondholder. On 4 April 2025, the Group has further extended the maturity date to 4 July 2025 with the bondholder.

During the year ended 31 December 2025, the Group fully settled the bond payables by cash with the amount of approximately HKD46,253,000 which included the principal amount of HKD42,200,000 and accrued interest in amount of approximately HKD4,053,000.

The net carrying amount of approximately HKD44,857,000 as at 31 December 2024, of which approximately HKD2,657,000 accrued interest and HKD42,200,000 outstanding principal were classified as current liabilities as at 31 December 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 36. AMOUNT DUE FROM AND LOANS FROM A DIRECTOR

	Notes	2025 HKD'000	2024 HKD'000
Amount due from Mr. Lai	(i)	1,137	65,746
Loans from Mr. Lai	(ii)	158,418	70,608
Represented by:			
Non-current liabilities		136,240	49,324
Current liabilities		22,178	21,284
		158,418	70,608

Notes:

- (i) The balances are unsecured, interest free and repayable on demand. On 23 December 2024, Future Group Investment Holdings Limited, a wholly-owned subsidiary of the Company, as the purchaser and Mr. Lai as the seller entered into the conditional provisional agreement, pursuant to which the purchaser has conditionally agreed to acquire, and Mr. Lai has conditionally agreed to sell, the property located at Flat B, 28th Floor, Broadview Villa, No. 20 Broadwood Road, Hong Kong with consideration of HKD88,000,000. On the same date, the Company as the assignor and Mr. Lai as the assignee entered into the deed of assignment, pursuant to which the Company has conditionally agreed to assign, and Mr. Lai has conditionally agreed to accept the assignment of certain loan and interest receivables of approximately HKD13,571,000 (Note 25(i)) and note receivables of approximately HKD9,820,000 (Note 25(ii)) at a consideration of approximately HKD23,391,000. The consideration of approximately HKD23,391,000 for this assignment, together with the amount due from a director, Mr. Lai as at 31 December 2024 of approximately HKD65,746,000, shall be offset against the consideration for the acquisition of the property of HKD88,000,000, resulting in the net amount due from Mr. Lai to the Group of approximately HKD1,137,000 as at 31 December 2025. The conditional provisional agreement and the deed of assignment approved by the shareholders of the Company in the EGM on 14 March 2025 and completed on 30 June 2025.
- (ii) On 5 February 2024, Mr. Lai lent RMB20,000,000 (approximately to HKD21,716,000) to Shenzhen Baiyi (as defined in Note 45), a wholly owned subsidiary of the Company which is unsecured, interest free and repayable on demand. As at 31 December 2025, the carrying amount of this loan from Mr. Lai was approximately HKD22,178,000 (2024: HKD21,284,000).

As mentioned in Note 40, the Group had certain consideration payables to certain vendors for its acquisitions of businesses or assets during the year ended 31 December 2024. On 31 December 2024, Vendor D (as defined in Note 40(c) with consideration payable of RMB15,400,000), Vendor E (as defined in Note 40(d) with consideration payable of RMB35,400,000), Vendor G (as defined in note 40(e) with consideration payable of RMB15,000,000) and a creditor with other payables amounted to RMB3,200,000 entered into certain loan assignment agreements with Mr. Lai that these vendors and the creditor agreed to assign and Mr. Lai agreed to accept the assignment of these payables by the Group amounted to RMB69,000,000 (equivalent to approximately HKD73,430,000) in aggregate in consideration of the same amount to be paid by Mr. Lai to these vendors and the creditor. Following these loan assignments, Mr. Lai entered into certain loan arrangements with the Group and agreed that these loans owed to him amounted to RMB69,000,000 (equivalent to HKD73,430,000) in aggregate are unsecured, interest free and will be matured on 31 December 2029. The loan agreements are regarded as substantial modification of existing financial liabilities. The gain on substantial modification of HKD24,106,000 is credited to other reserve during the year ended 31 December 2024. As at 31 December 2025, the carrying amounts of these loans from Mr. Lai were approximately HKD55,660,000 (2024: HKD49,324,000) with the effective interest rates ranged from 7.78% to 8.31% (2024: 7.78% to 8.31%) per annum.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 36. AMOUNT DUE FROM AND LOANS FROM A DIRECTOR *(Continued)*

Notes: *(Continued)*

(ii) *(Continued)*

On 27 October 2025, the Company entered a loan agreement with Rejoice Holdings Limited, a company wholly-owned by Mr. Lai, which agreed to advance a loan in the aggregate principal of up to HKD200,000,000 to the Company. On the same date, the Company had a drawing of HKD80,000,000 which was unsecured, carrying interest rate at Hong Kong Dollar Best Lending Rate as announced by the The Hongkong and Shanghai Banking Corporation Limited from time to time minus 1% per annum from 27 October 2025 and payable in full on 26 October 2028. As at 31 December 2025, the carrying amount of this loan was approximately HKD80,580,000 (2024: HKDNil) which included the principal amount of HKD80,000,000 and accrued interest in amount of HKD580,000 were classified as non-current liabilities. The effective interest rate is 4.0%.

## 37. SHARE CAPITAL

	Number of ordinary shares <i>(Note (i))</i>	Number of preference shares	Amount HKD'000
<b>Share capital</b>			
Ordinary shares of HKD0.4 each			
Authorised:			
<b>At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025</b>	623,700,000	1,300,000	250,000
Issued and fully paid:			
At 1 January 2024	232,190,982	–	92,876
Issuance of shares <i>(Note (ii))</i>	21,700,000	–	8,680
At 31 December 2024 and 1 January 2025	253,890,982	–	101,556
Issuance of shares <i>(Note (iii))</i>	47,616,910	–	19,047
<b>At 31 December 2025</b>	<b>301,507,892</b>	<b>–</b>	<b>120,603</b>

Notes:

- (i) All the ordinary shares which were issued by the Company rank *pari passu* with each other in all respects.
- (ii) During the year ended 31 December 2024, the Company allotted and issued in total 21,700,000 shares and accounted for share capital of approximately HKD8,680,000 and share premium of approximately HKD6,510,000, respectively for the purpose of acquisition of assets. Details are set out in Note 40(f).
- (iii) During the year ended 31 December 2025, the Company allotted and issued in aggregate 47,616,910 shares and accounted for share capital of approximately HKD19,047,000 and share premium of approximately HKD3,021,000, respectively for the purpose of settling the promissory note as mentioned in Note 34 and acquisition of subsidiaries as mentioned in Notes 40(a) and (b).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 38. RESERVES

The following describes the nature and purpose of each reserve within owners' equity:

Reserves	Description and purpose
Share premium	Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its Memorandum or Articles of Associations and provided that immediately following the distribution or dividends, the Company is able to pay its debts as they fall due in the ordinary course of business.
Translation reserve	Cumulative gains/losses arising on retranslating the net assets of foreign operations into presentation currency.
Fair value reserve (non-recycling)	Gains/losses arising on recognising financial assets classified as FVTOCI.
Statutory reserve	In accordance with the Company Law of the PRC, the Company's subsidiaries registered in the PRC are required to appropriate 10% of the annual statutory profit after tax (after offsetting any prior years' losses) determined in accordance with generally accepted accounting principles in the PRC to the statutory reserve until the balance of the reserve fund reaches 50% of the entity's registered capital. The statutory reserve can be utilised to offset prior years' losses and may be capitalised as registered capital, provided that the remaining balance of the statutory reserve fund after such issue is no less than 25% of registered capital.
Other reserve	Gain/losses arising on substantial modification of loans from a director.

### The Company

	Share premium HKD'000	Accumulated losses HKD'000	Total HKD'000
At 1 January 2024	1,595,687	(911,007)	684,680
Loss and total comprehensive loss for the year	–	(135,634)	(135,634)
Issuance of shares ( <i>Note 37(ii)</i> )	6,510	–	6,510
At 31 December 2024 and 1 January 2025	<b>1,602,197</b>	<b>(1,046,641)</b>	<b>555,556</b>
Loss and total comprehensive loss for the year	–	<b>(137,596)</b>	<b>(137,596)</b>
Issuance of shares ( <i>Note 37(iii)</i> )	<b>3,021</b>	–	<b>3,021</b>
<b>At 31 December 2025</b>	<b>1,605,218</b>	<b>(1,184,237)</b>	<b>420,981</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. EQUITY SETTLED SHARE-BASED TRANSACTIONS

### (a) Share option scheme

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 22 February 2012, the Company adopted a share option scheme (the “**Scheme 2012**”).

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 June 2021, the Scheme 2012 was terminated and a new share option scheme (the “**Scheme 2021**”) was adopted. The adoption of Scheme 2021 will not in any event affect the terms of the grant of such outstanding options that has already been granted under the Scheme 2012 and shall continue to be valid and subject to the provisions of Scheme 2012.

The purpose of the Scheme 2021 is to enable the Company to grant options to selected eligible participants as incentives or rewards for their contribution or potential contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. The Board may, at their discretion, offer options to any eligible participant including employees, directors, consultants, advisers and staff of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group) The maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme 2021 and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. The maximum number of Shares available for issue under share options which may be granted under the Scheme 2021 must not in aggregate exceed 10% of the Shares in issue. Options granted must be taken up within 21 days inclusive of , and from the date of grant, upon payment of HKD1 per each grant of options. Options may be exercised at any time during the period to be determined and notified by the Directors to the grantee thereof at the time of grant (subject to certain vesting period, if any, as determined by the Directors) provided that such period shall not exceed the period of ten years from the date of the grant but subject to the provisions for early termination of the 2021 Scheme. The exercise price is determined by the Board at its absolute discretion provided that it shall not be less than the highest of (i) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the date of grant, which must be a business day; (ii) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five consecutive business days immediately preceding the date of grant; and (iii) the nominal value of the Share on the date of grant.

There was no outstanding share options during the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 39. EQUITY SETTLED SHARE-BASED TRANSACTIONS *(Continued)*

### (b) Equity settled share-based transactions

On 15 July 2015 (the “**Adoption Date**”), the directors of the Company adopted a share award scheme (the “**Share Award Scheme**”) to recognise the contributions by certain employees and persons to the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of and contribution to the Group. A trustee is appointed by the Group for administering the Share Award Scheme.

Pursuant to the Share Award Scheme, the Company’s shares may be acquired by the administration committee or the trustee at the cost of the Company. Such shares will be held in trust for the selected person until the vesting criteria and conditions have been satisfied.

The directors of the Company may, from time to time, at its sole and absolute discretion, select any executives, officers, directors, holders of any securities issued by any members of the Group and others of the Group (collectively referred to as “**Selected Person**”) for participation in the Share Award Scheme and grant such number of awarded shares to any Selected Person of the Group at nil consideration. The directors of the Company are entitled to impose any conditions (including a period of continued services within the Group after the award) with respect to the vesting of the awarded shares.

The Share Award Scheme came into effect on the Adoption Date, and had expired on 14 July 2025.

The Company will not issue or grant any awarded shares under the Share Award Scheme which would result in the total number of the awarded shares together with shares which may be issued upon exercise of all outstanding share options granted but yet to be exercised under the share option schemes of the Company representing in aggregate over 30% of the shares in issue as at the date of such grant.

During the year, no shares of the Company were purchased by the trustee of the Share Award Scheme pursuant to the terms of the trust deed of the Share Award Scheme (2024: Nil). No share award has been granted, vested, lapsed and cancelled during the year (2024: Nil).

No shares of the Company were held by the trustee of the Share Award Scheme as at 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2025

(a) *Acquisitions of subsidiaries accounted for as business combination – Excelerate (as defined in Note 45)*

On 26 June 2024, the Company entered into the sales and purchase agreement with an independent vendor (“**Vendor A**”), pursuant to which the Company has conditionally agreed to acquire, and the Vendor A has conditionally agreed to sell, the entire issued share capital in Excelerate at the consideration of HKD2,000,000 (subject to net tangible asset value adjustment) of which HKD1,000,000 (subject to net tangible asset value adjustment) shall be settled by cash upon completion and HKD1,000,000 shall be settled by the allotment and issue of 1,428,600 new shares at the issue price of HKD0.7 per new share by the Company to the Vendor A upon completion.

The acquisition of the entire equity interests in Excelerate was completed on 28 January 2025. The final cash consideration agreed with Vendor A was approximately HKD1,850,000 upon completion. Upon the completion of acquisition, Excelerate and its subsidiary, Excelerate Fund Management Limited became the wholly-owned subsidiaries of the Company. Excelerate is an investment holding company and Excelerate Fund Management Limited, is a company licensed to carry on Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The acquisition provided a platform for the Group to expand, explore and capitalise in the new market of asset management services in Hong Kong. This acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets acquired and liabilities assumed of Excelerate at the date of acquisition, were as follows:

	HKD'000
Property, plant and equipment	117
Right-of-use assets	292
Other receivables	303
Cash and bank balances	657
Trade payables, accruals and other payables	(99)
Lease liabilities	(298)
Total identifiable net assets	972
Goodwill	1,692
Total consideration to be satisfied	2,664
Total consideration to be satisfied by:	
Cash	1,850
Issuance of shares of the Company	814
	2,664

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2025 (Continued)

(a) *Acquisitions of subsidiaries accounted for as business combination – Excelerate (as defined in Note 45) (Continued)*

Cashflow movement in relation to acquisitions of the Excelerate during the year ended 31 December 2025:

	HKD'000
Net cash outflow arising on acquisition of a subsidiary:	
Cash consideration paid	1,850
Less: Cash and bank balance acquired	(657)
	<hr/> 1,193

Acquisition-related costs amounting to approximately HKD30,000 are excluded from the consideration transferred and have been recognised as an expense in current year, within the administrative expense in the consolidated statement of profit or loss and other comprehensive income.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition dates, Excelerate has contributed approximately HKD3,374,000 to the Group's revenue and a loss of approximately HKD625,000 to the overall result of the Group for the year ended 31 December 2025.

If the acquisition had occurred on 1 January 2025, the Group's revenue would have been approximately HKD114,718,000 and the loss of the Group would have been approximately HKD52,544,000 for the year ended 31 December 2025. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2025, nor is it intended to be a projection of future results.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2025 *(Continued)*

**(b) Acquisition of assets through acquisitions of subsidiaries – Aspire Holding (as defined in Note 45)**

On 27 February 2025, the Company entered into the sales and purchase agreement with the vendor (“**Vendor B**”), pursuant to which the Company has conditionally agreed to acquire and take assignment of, and the Vendor B has conditionally agreed to sell and assign, the entire equity interest in Aspire Holding and the shareholder’s loan at considerations of HKD1,142,000 and HKD26,596,000, respectively. The consideration of HKD26,596,000 for the shareholder’s loan was determined after considering the carrying amount of the shareholder’s loan of approximately RMB25,000,000 (approximately HKD26,596,000) as at the date of the sales and purchase agreement.

In accordance with the sales and purchase agreement, the total consideration of HKD27,738,000 shall be satisfied by the Company upon the completion (i) as to HKD11,960,000 by the allotment and issue of 23,000,000 consideration shares to the Vendor B at the issue price of HKD0.52 per consideration shares; and (ii) the remaining balance of HKD15,778,000 by the issue of the promissory note in the principal amount of HKD15,778,000 to the Vendor B.

The acquisition of the entire equity interest in Aspire Holding was completed on 1 April 2025. Upon the completion, Aspire Holding became a directly wholly-owned subsidiary of the Company.

Aspire Holding is the holding company of 深圳市融慧通實業有限公司 (the “**SZ Ronghuitong**”). SZ Ronghuitong is an investment holding company which held 2 properties in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a group of similar identifiable assets (being the group of 2 properties) and concluded the acquisition was accounted for as acquisition of assets by applying the optional concentration test in accordance with HKFRS 3 “Business Combinations”. The acquisition represents an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2025 (Continued)

(b) **Acquisition of assets through acquisition of subsidiaries – Aspire Holding (as defined in Note 45) (Continued)**

The fair values of identifiable assets acquired and liabilities assumed of Aspire Holding, at the date of acquisition, were as follows:

	HKD'000
Investment properties	54,769
Other receivables	17
Cash and bank balances	95
Accruals and other payables	(29,443)
Shareholder's loan	(26,771)
Net liabilities acquired by the Group	(1,333)
Add: assignment of shareholder's loan	26,771
Total consideration to be satisfied	25,438
Total consideration to be satisfied by:	
Issuance of shares by the Company	9,660
Issuance of promissory note	15,778
	25,438
Cashflow movement in relation to acquisition of the Aspire Holding during the year ended 31 December 2025:	
	HKD'000
Cash at bank acquired – net cash inflow on acquisition	95

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2024

(c) **Acquisitions of subsidiaries accounted for as business combination – SR Junting (as defined in Note 45) and SR Hotel Management (as defined in Note 45)**

On 29 December 2023, SZ Baiyi (as defined in Note 45), a wholly-owned subsidiary of the Company, entered into the first equity transfer agreement with a vendor (“**Vendor C**”), SR Hotel Management and SR Junting, who are independent to the Group. Pursuant to the agreement, SZ Baiyi agreed to acquire, and Vendor C and SR Hotel Management have agreed to sell, 40% and 60% equity interest in SR Junting at a cash considerations of RMB1 and RMB2,500,000 respectively, which was RMB2,500,001 (equivalent to approximately HKD2,721,000) in aggregate.

On the same date, SZ Baiyi entered into the second equity transfer agreement with another independent vendor (“**Vendor D**”) and SR Hotel Management, pursuant to which SZ Baiyi has conditionally agreed to acquire, and Vendor D has conditionally agreed to sell 100% equity interest in SR Hotel Management at a cash consideration of RMB15,400,000 (equivalent to approximately HKD16,764,000).

The acquisitions of the entire equity interests in SR Junting and SR Hotel Management were completed on 5 March 2024 and 12 March 2024 respectively. Upon the completion of acquisitions, SR Junting and SR Hotel Management became indirectly wholly-owned subsidiaries of the Company. The principal activities of SR Junting and SR Hotel Management are hotel operation and ancillary business in the PRC. At the dates of completion of acquisitions, each of SR Junting and SR Hotel Management had secured a management contract with two 4- to 5-star hotels in the PRC respectively, and SR Hotel Management had carried out certain hotel ancillary businesses. The acquisitions provided a platform for the Group to expand, explore and capitalise in the new market of hotel business in the PRC. This acquisition has been accounted for using the acquisition method.

The fair values of the identifiable assets acquired and liabilities assumed of SR Junting and SR Hotel Management at the date of acquisitions, were as follows:

	HKD'000
Property, plant and equipment	6,851
Inventories	3,045
Trade and other receivables <i>(Note)</i>	8,287
Cash and bank balances	3,605
Trade payables, accruals and other payables	(3,538)
Contract liabilities	(327)
Total identifiable assets	17,923
Add: Goodwill	1,562
Less: Consideration receivable from SZ Baiyi to SR Hotel Management in relation to acquisition of 60% equity interest in SR Junting <i>(Note)</i>	(2,721)
Total consideration to be satisfied by cash <i>(Note)</i>	16,764

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

(c) **Acquisitions of subsidiaries accounted for as business combination – SR Junting (as defined in Note 45) and SR Hotel Management (as defined in Note 45) (Continued)**

Cashflow movement in relation to acquisitions of the SR Junting and the SR Hotel Management during the year ended 31 December 2024:

	HKD'000
Cash and bank acquired – net cash inflow on acquisition	3,605

*Note:* Included in trade and other receivables of RMB2,500,000 (equivalent to approximately HKD2,721,000) was the inter-company receivables from SZ Baiyi to SR Hotel Management in relation to the acquisition of 60% equity interest in SR Junting, resulting in net cash consideration payable of RMB15,400,001 (equivalent to approximately HKD16,764,000) in relation to the acquisitions. The cash consideration payable to Vendor D of RMB15,400,000 (equivalent to approximately HKD16,764,000) was then assigned to Mr. Lai on 31 December 2024 and included in loans from a director (Note 36(iii)) as at 31 December 2024.

Acquisition-related costs amounting to approximately HKD702,000 are excluded from the consideration transferred and have been recognised as an expense in current year, within the administrative expense in the consolidated statement of profit or loss and other comprehensive income.

Goodwill arose in the acquisition because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth and future market development. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for the identifiable intangible assets. None of the goodwill arising on the acquisition is expected to be deductible for tax purposes.

Since the acquisition dates, SR Junting and SR Hotel Management have contributed approximately HKD43,580,000 to the Group's revenue and a loss of approximately HKD11,967,000 to the overall result of the Group for the year ended 31 December 2024.

If the acquisition had occurred on 1 January 2024, the Group's revenue would have been approximately HKD89,208,000 and the profit of the Group would have been approximately HKD8,955,000 for the year ended 31 December 2024. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is it intended to be a projection of future results.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2024 *(Continued)*

*(d) Acquisitions of assets through acquisitions of subsidiaries – MLH Property (as defined in Note 45) and Zhi Ying Property (as defined in Note 45)*

On 18 March 2024, SZ Baiyi entered into first sale and purchase agreement with an independent vendor (“**Vendor E**”), pursuant to which SZ Baiyi has conditionally agreed to acquire and take assignment of, and Vendor E has conditionally agreed to sell and assign, the 100% equity interest in MLH Property and the shareholder’s loan at considerations of RMB3,400,000 (equivalent to approximately HKD3,674,000) and RMB32,000,000 (equivalent to approximately HKD34,584,000) respectively. As at the date of the first sale and purchase agreement, MLH Property had 90% equity interest of Zhi Ying Property.

On the same date, MLH Property entered into the second sale and purchase agreement with an independent vendor (“**Vendor F**”), pursuant to which MLH Property has conditionally agreed to acquire, and Vendor F has conditionally agreed to sell, 10% equity interest in Zhi Ying Property at a consideration of RMB3,900,000 (equivalent to approximately HKD4,274,000).

The acquisition of 100% equity interest in MLH Property was completed on 6 May 2024. Upon the completion of acquisition, MLH Property became an indirectly wholly-owned subsidiary of the Company, and Zhi Ying Property became an indirectly non wholly-owned subsidiary of the Company. The acquisition of 10% equity interest in Zhi Ying Property was completed on 11 September 2024.

The acquisition of 10% equity interest in Zhi Ying Property resulted in changes of equity interest in a subsidiary without the change of control with its fair value was approximately RMB4,532,000 (equivalent to approximately HKD4,934,000). The difference between the consideration of approximately RMB3,900,000 (equivalent to approximately HKD4,274,000) and the fair value was credited to accumulated losses amounted to approximately RMB632,000 (equivalent to approximately HKD660,000).

The principal activities of MLH Property and Zhi Ying Property are real estate and property management which held 19 properties in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a group of similar identifiable assets (being the group of 19 properties) and concluded the acquisitions were accounted for as acquisitions of assets by applying the optional concentration test in accordance with HKFRS 3 “Business Combinations”. The acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

(d) **Acquisitions of assets through acquisitions of subsidiaries – MLH Property (as defined in Note 45) and Zhi Ying Property (as defined in Note 45) (Continued)**

The fair values of identifiable assets acquired and liabilities assumed of MLH Property and Zhi Ying Property, at the date of acquisition in May 2024, were as follows:

	HKD'000
Investment properties	126,945
Property, plant and equipment	2,712
Trade and other receivables	11,214
Financial assets at FVTPL	256
Cash and bank balances	4,100
Trade, accruals and other payables	(79,472)
Contract liabilities	(3,565)
Lease liabilities	(18,435)
Shareholder's loan	(34,584)
Tax payables	(436)
Total identifiable net assets	8,735
Non-controlling interest (Note (i))	(5,061)
Net assets acquired by the Group	3,674
Add: assignment of shareholder's loan	34,584
Total consideration to be satisfied by cash (Note (ii))	38,258

Cashflow movement in relation to acquisitions of the MLH Property and the Zhi Ying Property during the year ended 31 December 2024:

	HKD'000
Cash and bank acquired – net cash inflow on acquisition	4,100
Cash consideration paid for acquisition of 10% equity interest in Zhi Ying Property	4,274

Notes:

- (i) Non-controlling interest represented the 10% fair value of the identifiable net assets of Zhi Ying Property at the date of acquisition in May 2024, which was acquired in September 2024.
- (ii) The cash consideration payable to Vendor E of RMB35,400,000 (equivalent to approximately HKD38,258,000) was then assigned to Mr. Lai on 31 December 2024 and included in loans from a director (Note 36(ii)) as at 31 December 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

(e) **Acquisitions of assets through acquisitions of subsidiaries – SZ Meilianhang (as defined in Note 45)**

On 2 October 2024, SZ Xingguanghui (as defined in Note 45), a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with an independent vendor (“**Vendor G**”), pursuant to which SZ Xingguanghui has conditionally agreed to acquire and Vendor G has conditionally agreed to sell, the 100% equity interest in SZ Meilianhang at a consideration of RMB15,000,000 (equivalent to approximately HKD16,382,000).

The acquisition of 100% equity interest in SZ Meilianhang was completed on 29 October 2024. Upon the completion of acquisition, SZ Meilianhang became an indirectly wholly-owned subsidiary of the Company.

The principal activities of SZ Meilianhang are real estate and property management which held 6 properties in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a group of similar identifiable assets (being the group of 6 properties) and concluded the acquisitions were accounted for as acquisitions of assets by applying the optional concentration test in accordance with HKFRS 3. The acquisitions represent an investment opportunity to expand the Group’s service offerings to property management and diversified the Group’s property investment portfolio in the PRC.

The fair values of identifiable assets acquired and liabilities assumed of Shenzhen Meilianhang, at the date of acquisition, were as follows:

	HKD’000
Investment properties	181,855
Property, plant and equipment	1,626
Other receivables	9,580
Cash and bank balances	1,788
Accruals and other payables	(178,467)
Net assets acquired by the Group	16,382
Total consideration to be satisfied by cash (Note)	16,382

Cashflow movement in relation to acquisitions of the Shenzhen Meilianhang during the year ended 31 December 2024:

	HKD’000
Cash and bank acquired – net cash inflow on acquisition	1,788

Note: The cash consideration payable to Vendor G of RMB15,000,000 (equivalent to approximately HKD16,382,000) was then assigned to Mr. Lai on 31 December 2024 and included in loans from a director (Note 36(ii)) as at 31 December 2024.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2024 *(Continued)*

*(f) Acquisitions of assets through acquisitions of subsidiaries – Elite Holdings (as defined in Note 45)*

On 26 June 2024, the Company entered into the sales and purchase agreement with an independent third party (the “**Vendor H**”), pursuant to which the Company has conditionally agreed to acquire and take assignment of, and the Vendor H has conditionally agreed to sell and assign, the entire equity interest in Elite Holdings and the shareholder’s loan at considerations of RMB1,774,700 (equivalent to approximately HKD1,908,000) and RMB25,000,000 (equivalent to approximately to HKD26,882,000), respectively.

The consideration shall be satisfied by the Company upon the completion of the sales and purchase agreement (i) as to RMB14,126,700 by the allotment and issue of 21,700,000 consideration shares to the Vendor H at the issue price of HKD0.7 per consideration share; and (ii) the balance of RMB12,648,000 by the issue of the promissory note in the principal amount of HKD13,600,000 to the Vendor H (or its designated entity).

The acquisition of 100% equity interest in Elite Holdings was completed on 31 July 2024. Upon the completion of acquisition, Elite Holdings became an indirect wholly-owned subsidiary of the Company.

The principal activities of Elite Holdings is property management and its sole material asset is a 9-floor building in the PRC. The Group determined that substantially all of the fair value of the gross assets (excluding cash and bank balances) acquired was concentrated in a single identifiable asset and concluded the acquisition was accounted for as acquisitions of asset by applying the optional concentration test in accordance with HKFRS 3. The acquisition is in light of the favourable prospect of the hotel industry in the PRC, accompanied by incentive policies fostering tourism by the government in the PRC and diversified the Group’s property investment portfolio in the PRC.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 40. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

(f) *Acquisitions of assets through acquisitions of subsidiaries – Elite Holdings (as defined in Note 45) (Continued)*

The fair values of identifiable assets acquired and liabilities assumed of Elite Holdings, at the date of acquisition, were as follows:

	HKD'000
Property, plant and equipment	147,359
Right-of-use asset	18,634
Trade and other receivables	782
Cash and bank balances	110
Accruals and other payables	(57,935)
Other borrowings	(74,331)
Shareholder's loan	(26,882)
Deferred tax liabilities	(5,829)
Net assets acquired by the Group	1,908
Add: assignment of shareholder's loan	26,882
Total consideration to be satisfied	28,790
Total consideration to be satisfied by:	
Issuance of shares by the Company	15,190
Issuance of promissory note	13,600
	28,790

Cashflow movement in relation to acquisitions of the Elite Holdings during the year ended 31 December 2024:

	HKD'000
Cash and bank acquired – net cash inflow on acquisition	110

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 41. DISPOSAL OF SUBSIDIARIES

For the year ended 31 December 2025

(a) *Disposal of 江蘇未徠棟楠科技有限公司 (“江蘇未徠”)*

During the year ended 31 December 2025, a wholly-owned subsidiary of the Company, Smart Prosper Enterprises (International) Limited (“**Smart Prosper**”) entered into a sale and purchase agreement with an independent third party, pursuant to which Smart Prosper agreed to dispose of its entire equity interest in 江蘇未徠 with an aggregate cash consideration of HKD1 (the “**Disposal**”). The Disposal was completed on 13 June 2025. The Group recognised a gain on disposal of a subsidiary and a release of translation reserve in the amounts of HKD1,970,000 and HKD568,000 respectively.

The breakdown of assets/(liabilities) of 江蘇未徠 at the completion date of disposal and the consideration of disposal are as follow:

	HKD'000
Property, plant and equipment	–
Inventories	2
Other receivables	851
Cash and bank balances	2
Accruals and other payables	(2,257)
Net liabilities of 江蘇未徠	(1,402)
Release of translation reserve	(568)
Gain on disposal of a subsidiary	1,970
Total consideration to be satisfied by cash	–*
	HKD'000
Cash consideration received	–*
Cash and bank balances disposed of	(2)
Net cash outflow arising on Disposal	(2)

\* The balance represents an amount less than HKD1,000

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 41. DISPOSAL OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024

### (b) Disposal of Topsy Eagle Limited (the "Topsy")

On 15 April 2024, Alpha Idea Holdings Limited, a wholly-owned subsidiary of the Company, entered into a sale and purchase agreement with a purchaser, who is independent to the Group. The purchaser has conditionally agreed to acquire and Alpha Idea Holdings Limited has conditionally agreed to sell the entire equity interest in Topsy, an indirectly wholly-owned subsidiary of the Company, and to take assignment of the intercompany loans provided by the Group to the Topsy, at a consideration of HKD38,000,000. Topsy is the legal and beneficial owner of the property located at G/F, No. 20 Kwun Chung Street, Kowloon, Hong Kong. The disposal was completed on 10 July 2024.

The principal activities of Topsy is property investment in Hong Kong.

The breakdown of assets/(liabilities) of Topsy at the completion date of disposal and the consideration of disposal are as follow:

	HKD'000
Investment property	38,500
Intercompany loans	(43,488)
Net liabilities of Topsy disposed of	(4,988)
Less: assignment of intercompany loans	43,488
Loss on disposal of subsidiaries	(500)
Total consideration to be satisfied by cash	38,000

Cashflow movement in relation to the disposal during the year ended 31 December 2024:

	HKD'000
Cash consideration received	38,000

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 42. RETIREMENT BENEFITS PLANS

The Group operates the MPF Scheme under the Hong Kong Mandatory Provident Fund Scheme Ordinance for all employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HKD30,000. Contributions to the plan vest immediately.

The employees of the subsidiaries within the Group which operate in the PRC are required to participate in the central pension scheme operated by the local municipal government of the PRC. The central pension scheme is a defined contribution retirement plan and the PRC subsidiaries and their employees are required to contribute a percentage of their relevant income to the central pension scheme as specified by the local municipal government of the PRC.

The total cost charged to the profit or loss of approximately HKD3,837,000 (2024: HKD1,849,000) represents contributions payable to these schemes by the Group in respect of the current reporting period.

## 43. COMMITMENTS

### (a) Operating lease – the Group as lessor

The Group leases its investment properties (Note 18) under operating lease arrangements, with leases negotiated for terms of one to ten years (2024: one to ten years). The terms of the leases also require the tenants to pay security deposits and provide for periodic rental adjustments according to the then prevailing market conditions.

At the end of the reporting period, the Group had contracted with tenant for the following future minimum undiscounted lease payments:

	2025 HKD'000	2024 HKD'000
Within one year	4,463	4,292
Over one year but within two years	3,939	3,552
Over two years but within five years	10,846	9,674
Over five years	6,502	8,047
	<b>25,750</b>	25,565

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 43. COMMITMENTS (Continued)

### (b) Other commitment

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following other commitment at the end of the reporting period:

#### *Unpaid share capital for 揚州越界*

For the 30% registered capital of RMB1,980,000 (equivalent to approximately HKD2,196,000) (2024: RMB1,980,000 (equivalent to approximately HKD2,107,000)) for 揚州越界, an associate of the Company, the Group shall pay the remaining amount of 30% registered capital amounting to RMB1,480,000 (equivalent to approximately HKD1,637,000) (2024: RMB1,480,000 (equivalent to approximately HKD1,575,000)) within two years after the date of issuance of business license on 16 October 2019.

For the unpaid registered capital, the directors of the Company considered that the risk to pay the penalty is remote and hence no provision for the penalty has been provided as at 31 December 2025 and 2024.

## 44. MATERIAL RELATED PARTY TRANSACTIONS AND DISCLOSURES

### (a) Compensation to key management personnel

The remuneration for key management personnel of the Group, including directors and other members of key management, during the year was as follows:

	2025 HKD'000	2024 HKD'000
Short-term employee benefits	3,144	2,248
Post-employment benefits	85	75
	<b>3,229</b>	2,323

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 45. INTERESTS IN SUBSIDIARIES

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

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company				Principal activities and place of operation
			Directly		Indirectly		
			2025 %	2024 %	2025 %	2024 %	
Ever Good Industries (International) Limited	Hong Kong, limited liability	HKD100	100%	100%	–	–	Inactive
Smart Prosper Enterprises (International) Limited	Hong Kong, limited liability	HKD100	–	–	100%	100%	Investment holding
Globally Finance Limited (“Globally Finance”)	Hong Kong, limited liability	HKD39,000,000	100%	100%	–	–	Provision of financing services in Hong Kong
Golden Horse Hong Kong Investment Limited	Hong Kong, limited liability	HKD1	100%	100%	–	–	Securities trading and investment in Hong Kong
Bright Oriental Worldwide Limited	Hong Kong, limited liability	HKD1	100%	100%	–	–	Inactive
Sky Faith International Investment Limited	Hong Kong, limited liability	HKD1	100%	100%	–	–	Trading business in Hong Kong
Skypark Developments Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Investment holding
深圳未徠機器人有限公司	The PRC, limited liability (Note (j))	HKD10,000,000	–	–	100%	100%	Trading of robots and related products in the PRC
Chinacorp (HK) Investment Limited	Hong Kong, limited liability	HKD1	–	–	100%	100%	Property investment in Hong Kong
Power Estate Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Investment holding
Success Estate Investments Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Investment holding
Future World Robotics Holdings Limited	Hong Kong, limited liability	HKD1	–	–	100%	100%	Inactive
Alpha Idea Holdings Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Inactive

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 45. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company				Principal activities and place of operation
			Directly 2025 %	2024 %	Indirectly 2025 %	2024 %	
Wise Victory Group Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Investment holding
Best Pacific Global Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Investment holding
Oriental Creation Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Investment holding
Future World Securities Investment Limited	Hong Kong, limited liability	HKD1	–	–	100%	100%	Securities trading and investment in Hong Kong
Goodview Assets Limited	The BVI, limited liability	1 ordinary share of USD1	–	–	100%	100%	Property investment in Hong Kong
Hamin Technology (Hong Kong) Limited	Hong Kong, limited liability	HKD1	–	–	100%	100%	Inactive
Rich Power International Holding Limited	Hong Kong, limited liability	HKD10	–	–	100%	100%	Property investment in the PRC
Future Fuhai International Limited (Note (v))	Hong Kong, limited liability	HKD2,000,000	–	–	–	51%	Inactive
PT Future Fuhai Electric Technology (Note (v), (ix))	Indonesia, limited liability	– (Note (viii))	–	–	–	46%	Inactive
江蘇未徠棟楠科技有限公司 (Note 41(a), (iii))	The PRC, limited liability (Note (i))	HKD11,242,000	–	–	–	100%	Investment holding
Topsky Eagle Limited (Note 41(b), (iv))	Hong Kong, limited liability	HKD1	–	–	–	–	Investment holding
Million Park Limited	Hong Kong, limited liability	HKD1	–	–	100%	100%	Inactive
Trillion Wealth Limited	The BVI, limited liability	1 ordinary share of USD1	100%	100%	–	–	Inactive

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 45. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company				Principal activities and place of operation
			Directly 2025 %	2024 %	Indirectly 2025 %	2024 %	
深圳柏億實業投資有限公司 (“Shenzhen Baiyi”)	The PRC, limited liability (Note (i))	– (Note (viii))	–	–	100%	100%	Investment holding
山西融匯通君亭酒店有限公司 (“SR Junting”) (Note 40(c))	The PRC, limited liability (Note (ii))	RMB6,000,000 (Note (viii))	–	–	100%	100%	Hotel operation and ancillary business
山西融匯通酒店管理有限公司 (“SR Hotel Management”) (Note 40(c))	The PRC, limited liability (Note (ii))	RMB19,650,000 (Note (viii))	–	–	100%	100%	Hotel operation and ancillary business
山西美聯行物業管理有限公司 (“MLH Property”) (Note 40(d))	The PRC, limited liability (Note (ii))	RMB13,200,000 (Note (viii))	–	–	100%	100%	Property investment, management and agency services
上海知盈物業管理有限公司 (“Zhi Ying Property”) (Note 40(d))	The PRC, limited liability (Note (ii))	RMB50,000,000	–	–	100%	100%	Property investment and management
Starlight Holdings Enterprise Limited (Note (vii))	The BVI, limited liability	50,000 ordinary shares of USD50,000	100%	100%	–	–	Investment holding
Starlight Property Investment Limited (Note (vii))	Hong Kong, limited liability	HKD10,000	–	–	100%	100%	Investment holding
深圳星光輝物業管理有限公司 (“SZ Xingguanghui”) (Note (vii))	The PRC, limited liability (Note (i))	– (Note (viii))	–	–	100%	100%	Investment holding
深圳市美鏈行物業管理有限公司 (“SZ Meilianhang”) (Note 40(e))	The PRC, limited liability (Note (ii))	RMB35,000,000	–	–	100%	100%	Property investment and management
Elite Holdings International Limited (“Elite Holdings”) (Note 40(f))	The BVI, limited liability	100 ordinary shares of USD100	100%	100%	–	–	Investment holding

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 45. INTERESTS IN SUBSIDIARIES (Continued)

Name of subsidiary	Place of incorporation or establishment	Paid-up capital/share capital	Proportion of effective ownership interest held by the Company				Principal activities and place of operation
			Directly 2025 %	2024 %	Indirectly 2025 %	2024 %	
Elite Holdings Group Limited (Note (x))	Hong Kong, limited liability	HKD100	–	–	100%	100%	Investment holding
深優達物業管理(深圳)有限公司 (Note (x))	The PRC, limited liability (Note (i))	– (Note (viii))	–	–	100%	100%	Investment holding
長治市紫裕物資有限公司 (Note (x))	The PRC, limited liability (Note (ii))	RMB8,000,000	–	–	100%	100%	Hotel property holding
Future Group Investment Holdings Limited (Note (vii))	The BVI, limited liability	100 ordinary shares of USD100	100%	100%	–	–	Property investment in Hong Kong
Future Excelerate Group Limited (Note (vii))	The BVI, limited liability	50,000 ordinary shares of USD50,000	100%	100%	–	–	Inactive
FW Analytics Limited (Note (vi))	Hong Kong, limited liability	HKD100	–	–	100%	–	Inactive
深圳梵沃科技有限公司 (Note (vi))	The PRC, limited liability	– (Note (viii))	–	–	100%	–	Inactive
Boardview Holding International Limited (Note (vi))	The BVI, limited liability	100 ordinary shares of USD100	100%	–	–	–	Inactive
Aspire Holding Limited ("Aspire Holding") (Note 40(b))	The BVI, limited liability	100 ordinary shares of USD100	100%	–	–	–	Investment holding
Aspire Investment Hong Kong Limited (Note (xi))	Hong Kong, limited liability	HKD100	–	–	100%	–	Investment holding
深圳鴻志物業管理有限公司 (Note (xi))	The PRC, limited liability	RMB100,000	–	–	100%	–	Investment holding
深圳市融慧通實業有限公司 (Note (xi))	The PRC, limited liability	RMB50,000,000	–	–	100%	–	Property Investment in PRC
Excelerate Holding Limited ("Excelerate") (Note 40(a))	Hong Kong, limited liability	HKD1	100%	–	–	–	Investment Holding
Excelerate Fund Management Limited (Note (xii))	Hong Kong, limited liability	HKD1,880,000	–	–	100%	–	Asset management services

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 45. INTERESTS IN SUBSIDIARIES (*Continued*)

Notes:

- (i) The subsidiaries were established in the PRC as a wholly owned foreign enterprises under PRC law.
- (ii) The subsidiaries were established in the PRC as a domestic companies under PRC law.
- (iii) These companies were disposed of during the year ended 31 December 2025.
- (iv) These companies were disposed of during the year ended 31 December 2024.
- (v) The subsidiary was deregistered during the year ended 31 December 2025.
- (vi) The subsidiary was newly incorporated during the year ended 31 December 2025.
- (vii) The subsidiary was newly incorporated during the year ended 31 December 2024.
- (viii) As at 31 December 2025, certain subsidiaries' registered capital has not been fully paid up and aggregated unpaid share capital comprised of approximately RMB38,350,000 (equivalent to approximately HKD39,199,000) and Rupiahs Nil (equivalent to approximately HKDNil) (2024: RMB37,350,000 (equivalent to approximately HKD39,748,000) and Rupiahs 27,000,000,000 (equivalent to approximately HKD12,960,000)).
- (ix) Future Fuhai International Limited, a non-wholly-owned subsidiary of the Company, has 90% equity interest in PT Future Fuhai Electric Technology. Although the Group has effective equity interest in PT Future Fuhai Electric Technology of 46%, the directors of the Company concluded that the Group has a sufficiently dominant voting interest to direct the relevant activities of PT Future Fuhai Electric Technology through Future Fuhai International Limited.
- (x) These companies were acquired through the acquisition of Elite Holdings during the year ended 31 December 2024.
- (xi) These companies were acquired through acquisition of Aspire Holding during the year ended 31 December 2025.
- (xii) These companies were acquired through acquisition of Excelerate during the year ended 31 December 2025.

None of the subsidiaries had issued any debt securities at 31 December 2025 and 2024.

## 46. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities, bank borrowings and other borrowings disclosed in Notes 31, 32 and 33 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debt or the redemption of existing debt.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 47. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 HKD'000	2024 HKD'000
<b>Financial assets</b>		
At FVTOCI:		
Equity instruments	8,299	9,909
At FVTPL:		
Equity instruments	59,341	76,233
Investment fund	–	38,720
Financial products	524	368
	<b>59,865</b>	115,321
At amortised cost:		
Corporate bond	–	14,553
Loan and interest receivables	34,931	163,831
Trade and other receivables	13,105	20,906
Amount due from a director	1,137	65,746
Cash and bank balances	212,322	99,275
	<b>261,495</b>	364,311
	<b>329,659</b>	489,541
<b>Financial liabilities</b>		
At amortised cost:		
Trade payables, accruals and other payables	62,459	35,967
Bank borrowings	199,623	217,368
Other borrowings	332,773	381,437
Promissory note	16,174	13,887
Bond payable	–	44,857
Loans from a director	158,418	70,608
	<b>769,447</b>	764,124

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments including financial assets at FVTOCI, investment in corporate bond, financial assets at FVTPL, loan and interest receivables, trade and other receivables, amount due from a director, cash and bank balances, trade payables, accruals and other payables, bank borrowings, other borrowings, promissory note, bond payable and loans from a director. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. There has been no change to the Group's exposure or the manner in which it manages and measures the risk.

### (a) Market risk

#### (i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to its variable-rate bank balances, bank borrowings and loans from a director as detailed in Note 28, 32 and 36 respectively (2024: bank balances, bank borrowings and other borrowings as detailed in Notes 28, 32 and 33 respectively). The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk section of this note. The Group's bank balances are short-term in nature and the exposure of the interest rate is minimal.

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate bank borrowings and loans from a director (2024: bank borrowings and other borrowings) at the end of each reporting period. The analysis is prepared assuming these borrowings outstanding at the end of reporting period were outstanding for whole year. A 100 basis points increase or decrease in HIBOR and Prime rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest for the year.

	<b>2025</b> <b>(Increase)/</b> <b>decrease in</b> <b>post-tax loss</b> <b>HKD'000</b>	2024 Increase/ (decrease) in post-tax profit HKD'000
100 basis point increase	<b>(2,335)</b>	(2,106)
100 basis point decrease	<b>2,335</b>	2,106

#### (ii) Other price risk

The Group is exposed to price risk arising from certain investments held by the Group are classified in the consolidated statement of financial position as financial assets at FVTOCI and financial assets at FVTPL.

The Group's equity price risk is mainly concentrated on listed equity instruments quoted in the Stock Exchange. The management manages this exposure by closely monitoring the price risk and maintaining a portfolio of investments with different risks.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (*Continued*)

### (a) Market risk (*Continued*)

#### (ii) Other price risk (*Continued*)

##### *Sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to equity price risks of financial assets at FVTOCI and financial assets at FVTPL at the end of reporting period.

If the prices of the respective equity instruments had been 13% (2024: 6%) higher/lower and all other variables were held constant, post-tax loss for the year would decrease/increase by approximately HKD6,690,000 (2024: post tax profit for the year would increase/decrease by approximately HKD5,518,000) as a result of the change in fair value of financial assets at FVTPL, and fair value reserve would increase/decrease by approximately HKD928,000 (2024: HKD475,000) as a result of the change in fair value of financial assets at FVTOCI.

### (b) Credit risk and impairment assessment

#### *Risk management*

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities. The carrying amounts of the financial assets represent the maximum exposure to credit risk.

Carrying amounts of the financial assets presented in the consolidated statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances.

The credit risk on bank balances is also limited because the Group's bank balances are all deposited with major banks located in Hong Kong and the PRC.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

At 31 December 2025, the Group has concentration of credit risk as 49% (2024: 57%) of the total loan and interest receivables were due from the Group's largest debtor. The loan and interest receivables were due from total 4 (2024: 7) debtors.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

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

#### *Risk management (Continued)*

The Group has no significant concentration risk on the largest customer during the year ended 31 December 2025 and 2024.

The Group has the following of financial assets that are subject to the ECL model:

- loan and interest receivables, other receivables and investment in corporate bond;
- trade receivables; and
- amount due from a director.

The bank balances are also subject to the impairment requirements of HKFRS 9, however, as the counterparties are banks with high credit ratings assigned by international credit-rating agencies, the identified impairment loss was immaterial.

#### *Impairment of financial assets*

##### *(i) Loan and interest receivables, other receivables and investment in corporate bond*

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new customer, the Group uses an internal credit scoring system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group performs impairment assessment under ECL model on loan and interest receivables, other receivables and investment in corporate bond based on the credit spread at 12-month ECL.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

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

#### *Impairment of financial assets (Continued)*

##### (i) *Loan and interest receivables, other receivables and investment in corporate bond (Continued)*

The table below shows the credit quality and the maximum exposure to credit risk of loan and interest receivables from money lending business and note receivables based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts for loan and interest receivables.

	12-month ECLs		Lifetime ECLs		Total
	Stage 1	Stage 2	Stage 3		
	HKD'000	HKD'000	HKD'000	HKD'000	HKD'000
<b>At 31 December 2025</b>					
31 to 90 days past due	–	16,137	–		16,137
More than 90 days past due	–	25,611	11,388		36,999
	–	41,748	11,388		53,136
<b>At 31 December 2024</b>					
Not yet past due	103,037	15,254	–		118,291
More than 90 days past due	–	51,004	11,388		62,392
	103,037	66,258	11,388		180,683

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

#### Impairment of financial assets (Continued)

##### (i) Loan and interest receivables, other receivables and investment in corporate bond (Continued)

The amounts presented are gross carrying amounts for investment in corporate bond.

	12-month ECLs		Lifetime ECLs		Total HKD'000
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000		
<b>At 31 December 2025</b>					
More than 90 days past due	-	-	-	-	-
<b>At 31 December 2024</b>					
More than 90 days past due	-	-	22,525	22,525	22,525

The movement of provision for ECL of investment in corporate bond is as follows:

	Investment in corporate bond HKD'000
At 1 January 2024	7,736
Increase in loss allowance recognised in consolidated profit or loss during the year	236
At 31 December 2024 and 1 January 2025	7,972
Decrease in loss allowance recognised in consolidated profit or loss during the year	(7,972)
<b>At 31 December 2025</b>	-

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

#### Impairment of financial assets (Continued)

##### (i) Loan and interest receivables, other receivables and investment in corporate bond (Continued)

The amounts presented are gross carrying amounts for other receivables.

	12-month ECLs		Lifetime ECLs		Total HKD'000
	Stage 1 HKD'000	Stage 2 HKD'000	Stage 3 HKD'000	Stage 3 HKD'000	
<b>At 31 December 2025</b>					
Not yet past due	2,591	–	–	–	2,591
More than 90 days past due	–	–	4,151	–	4,151
	<b>2,591</b>	<b>–</b>	<b>4,151</b>	<b>–</b>	<b>6,742</b>
<b>At 31 December 2024</b>					
Not yet past due	4,994	–	–	–	4,994
More than 90 days past due	–	–	5,301	–	5,301
	4,994	–	5,301	–	10,295

Other receivables

Movement of impairment loss allowance for other receivables are as follows:

	Other receivables HKD'000
At 1 January 2024	24,251
Increase in loss allowance recognised in consolidated profit or loss during the year	991
Decrease in loss allowance recognised in consolidated profit or loss during the year	(23,735)
Exchange realignment	(5)
<b>At 31 December 2024 and 1 January 2025</b>	<b>1,502</b>
Increase in loss allowance recognised in consolidated profit or loss during the year	317
Exchange realignment	70
<b>At 31 December 2025</b>	<b>1,889</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

#### Impairment of financial assets (Continued)

##### (ii) Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals.

In addition, the Group performs impairment assessment under ECL model on trade receivables based on the lifetime ECLs.

The Group uses provision matrix to calculate ECL for trade receivables. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

As part of the Group's credit risk management, the Group uses debtors' ageing to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The following table provides information about the exposure to credit risk for trade receivables which are assessed based on provision matrix within lifetime ECL (not credit impaired).

On that basis, the credit loss allowances as at 31 December 2025 and 2024 was determined as follows for trade receivables:

	<b>Expected loss rate</b> HKD'000	<b>Gross carrying amount</b> HKD'000	<b>Loss allowance</b> HKD'000	<b>Net carrying amount</b> HKD'000
<b>At 31 December 2025</b>				
Not yet past due	<b>5.32%</b>	<b>5,903</b>	<b>(314)</b>	<b>5,589</b>
Less than 30 days past due	<b>52.09%</b>	<b>526</b>	<b>(274)</b>	<b>252</b>
30 days to 90 days past due	<b>85.78%</b>	<b>640</b>	<b>(549)</b>	<b>91</b>
More than 90 days past due	<b>95.79%</b>	<b>8,118</b>	<b>(7,776)</b>	<b>342</b>
		<b>15,187</b>	<b>(8,913)</b>	<b>6,274</b>
<b>At 31 December 2024</b>				
Not yet past due	1.58%	10,518	(166)	10,352
Less than 30 days past due	11.97%	376	(45)	331
30 days to 90 days past due	20.38%	574	(117)	457
More than 90 days past due	87.63%	5,851	(5,127)	724
		17,319	(5,455)	11,864

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

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

#### Impairment of financial assets (Continued)

##### (ii) Trade receivables (Continued)

As at 31 December 2025 and 2024, trade receivables are due to various group of debtors and the directors of the Company consider the credit risk of these parties is low, except for approximately HKD2,481,000 and RMB4,775,000 (equivalent to approximately HKD5,295,000) (2024: HKD2,481,000 and RMB2,486,000 (equivalent to approximately HKD2,646,000)) which has been credit-impaired due to long ageing.

Movement of impairment loss allowances for trade receivables are as follows:

	<b>Trade receivables</b> HKD'000
At 1 January 2024	665
Increase in loss allowance recognised in consolidated profit or loss during the year	4,851
Exchange realignment	(61)
At 31 December 2024 and 1 January 2025	5,455
Increase in loss allowance recognised in consolidated profit or loss during the year	3,260
Exchange realignment	198
<b>At 31 December 2025</b>	<b>8,913</b>

##### (iii) Amount due from a director

For the purpose internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. In the opinion of the directors of the Company, the estimated loss rates of a director is not significant and the Group assessed that the ECL on the balance is insignificant.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (c) Liquidity risk

The Group aims at maintaining a balance between continuity of funding and flexibility through maintaining sufficient cash and bank balances. The Group monitored its compliance with covenants and repayment schedules of bank borrowings and other borrowings, and took measures to improve the Group's financial position. The directors of the Company have also reviewed the Group's working capital and capital expenditure requirements and determined that the Group has no significant liquidity risk.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time based regardless of the probability of the banks choosing to exercise their rights.

The total undiscounted cash flows of each financial liability based on the earliest date on which the Company can be required to pay approximate to their carrying amounts at the end of the reporting period as follows:

	Weighted average interest rate per annum %	On demand or within one year HKD'000	Over one year but within two years HKD'000	Over two years but within five years HKD'000	More than five years HKD'000	Total contractual undiscounted cash flow HKD'000	Carrying amounts HKD'000
<b>At 31 December 2025</b>							
Trade payables and accruals and other payables	N/A	62,459	-	-	-	62,459	62,459
Lease liabilities	9.43%	5,150	3,687	6,653	24,395	39,885	21,444
Bank borrowings	2.97%	199,623	-	-	-	199,623	199,623
Other borrowings	8.06%	17,654	28,755	209,917	231,329	487,655	332,773
Promissory note	3.33%	-	789	16,568	-	17,357	16,174
Loans from a director	5.45%	22,178	-	166,124	-	188,302	158,418
		<b>307,064</b>	<b>33,231</b>	<b>399,262</b>	<b>255,724</b>	<b>995,281</b>	<b>790,891</b>
<b>At 31 December 2024</b>							
Trade payables and accruals and other payables	N/A	35,967	-	-	-	35,967	35,967
Lease liabilities	9.24	4,682	5,481	6,385	25,541	42,089	22,442
Bank borrowings	4.01	217,368	-	-	-	217,368	217,368
Other borrowings	8.06	88,289	15,034	207,270	238,129	548,722	381,437
Promissory note	5.00	13,913	-	-	-	13,913	13,887
Bond payable	8.48	45,727	-	-	-	45,727	44,857
Loans from a director	8.27	21,284	-	73,430	-	94,714	70,608
		<b>427,230</b>	<b>20,515</b>	<b>287,085</b>	<b>263,670</b>	<b>998,500</b>	<b>786,566</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### (c) Liquidity risk (Continued)

The table below summarises the maturity analysis of bank borrowings with a repayment on demand clause based on the agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using the specified interest rates. As a result, these amounts are greater than the amounts disclosed in the “on demand” time band in the maturity analysis above. The directors of the Company do not consider that it is probable that the bank will exercise its discretion to demand immediate repayment. The directors of the Company believe that such bank borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

#### **Maturity Analysis – bank borrowings subject to a repayment on demand clause based on scheduled repayments**

	Within 3 months HKD'000	3 to 6 months HKD'000	6 to 12 months HKD'000	1 to 5 years HKD'000	Over 5 years HKD'000	Total undiscounted cash flow HKD'000	Carrying amounts HKD'000
<b>At 31 December 2025</b>	<b>12,369</b>	<b>12,369</b>	<b>13,370</b>	<b>61,505</b>	<b>137,803</b>	<b>237,416</b>	<b>199,623</b>
At 31 December 2024	4,598	4,598	40,160	62,820	156,439	268,615	217,368

## 49. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

For financial reporting purposes, fair value measurement is categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 49. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS *(Continued)*

Certain financial assets of the Group are measured at fair value at the end of each reporting period. Below is a summary of fair value hierarchy, valuation techniques used and the key inputs to evaluate the fair values of these financial assets:

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique(s) and key inputs	Significant unobservable inputs
	31 December 2025 HKD'000	31 December 2024 HKD'000			
Listed equity securities classified as financial assets at FVTOCI	8,299	9,909	Level 1	Quoted bid prices in an active market	N/A
Listed equity securities classified as financial assets at FVTPL	59,341	76,233	Level 1	Quoted bid prices in an active market	N/A
Unlisted investment fund classified as financial asset at FVTPL	–	38,720	Level 3	Adjusted net assets value approach	Net asset value (Note)
Financial products	524	368	Level 3	Adjusted net assets value approach	Net asset value (Note)

Notes:

The following is the sensitivity analysis of level 3 fair value measurement to change in key unobservable inputs:

### Net asset value

A 5% increase/decrease in the net asset value while holding all other variables constant would increase/decrease the fair value of the unlisted investment fund by approximately HKDNil as at 31 December 2025 (2024: HKD1,936,000).

A 5% increase/decrease in the net asset value while holding all other variables constant would increase/decrease the fair value of the financial products by approximately HKD26,000 as at 31 December 2025 (2024: HKD18,000).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 49. FAIR VALUE MEASUREMENT OF THE FINANCIAL INSTRUMENTS *(Continued)*

There were no transfers between Level 1, 2 and 3 in current and prior year.

	Fair value hierarchy			Total HKD'000
	Level 1 HKD'000	Level 2 HKD'000	Level 3 HKD'000	
<b>At 31 December 2025</b>				
Financial assets				
At FVTOCI	8,299	–	–	8,299
AT FVTPL	59,341	–	524	59,865
<b>At 31 December 2024</b>				
Financial assets				
At FVTOCI	9,909	–	–	9,909
AT FVTPL	76,233	–	39,088	115,321

Except as detailed in the above table, the directors of the Company consider that carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

## 50. EVENTS AFTER THE REPORTING PERIOD

On 16 January 2026, the Company entered into the conditional agreement with Mr. Lai pursuant to which the Company agreed to transfer and assign the sales securities of approximately HKD77,428,000 and the loan and interest receivables of approximately HKD 41,750,000 to Mr. Lai for a total consideration of approximately HK\$119,178,000. The consideration to be payable by Mr. Lai shall be settled by way of (i) set off of the Mr. Lai outstanding indebtedness amounting to RMB20,000,000 (equivalent to approximately HKD22,222,000) and Rejoice Holdings Limited outstanding indebtedness amounting to HKD80,720,000 and (ii) Mr. Lai shall pay the Net Payable within one year following the completion, on a dollar-to-dollar basis. The completion of the conditional agreement is subject to shareholder's approval in the upcoming EGM of the Company. Details of the conditional agreement are set out in the announcement and circular made by the Company on 16 January 2026 and 27 March 2025 respectively.

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 51. CASH FLOW INFORMATION

### (a) Reconciliation of liabilities from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes.

	Lease liabilities HKD'000 (Note 31)	Bank borrowings HKD'000 (Note 32)	Other borrowings HKD'000 (Note 33)	Promissory note HKD'000 (Note 34)	Bond payable HKD'000 (Note 35)	Loan from a director HKD'000 (Note 36)
As at 1 January 2025	22,442	217,368	381,437	13,887	44,857	70,608
<b>Changes from financing cash flows:</b>						
Loan from a director	-	-	-	-	-	80,000
Proceeds from bank borrowings	-	33,500	-	-	-	-
Repayments of bank borrowings	-	(51,245)	-	-	-	-
Repayments of other borrowings	-	-	(85,879)	-	-	-
Repayments of bond payable	-	-	-	-	(42,200)	-
Interest paid on bank and other borrowings	-	(5,878)	(885)	-	-	-
Interest paid on bond payable	-	-	-	-	(4,053)	-
Repayment of lease liabilities – principal	(3,291)	-	-	-	-	-
Repayment of lease liabilities – interest	(2,045)	-	-	-	-	-
Total changes from financing cash flows	(5,336)	(23,623)	(86,764)	-	(46,253)	80,000
Other changes:						
Interest expenses (Note 9)	2,045	5,878	25,690	422	1,396	4,752
Lease modification (Note 31)	309	-	-	-	-	-
Addition of new lease (Note 31)	798	-	-	-	-	-
Issuance of promissory note (Note 40(b))	-	-	-	15,778	-	-
Acquired through business combination (Note 40(a))	298	-	-	-	-	-
Settlement by issuance of shares (Note 34)	-	-	-	(13,913)	-	-
Exchange realignment	888	-	12,410	-	-	3,058
Total other changes	4,338	5,878	38,100	2,287	1,396	7,810
<b>At 31 December 2025</b>	<b>21,444</b>	<b>199,623</b>	<b>332,773</b>	<b>16,174</b>	<b>-</b>	<b>158,418</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 51. CASH FLOW INFORMATION (Continued)

### (a) Reconciliation of liabilities from financing activities (Continued)

	Lease liabilities HKD'000 (Note 31)	Bank borrowings HKD'000 (Note 32)	Other borrowings HKD'000 (Note 33)	Promissory note HKD'000 (Note 34)	Bond payable HKD'000 (Note 35)	Loan from a director HKD'000 (Note 36)	Interest payable of bond payable included in accruals HKD'000 (Note 29(iii))
As at 1 January 2024	1,903	276,783	88,119	-	42,200	-	3,552
Changes from financing cash flows:							
Loan from a director	-	-	-	-	-	21,716	-
Proceeds from bank borrowings	-	49,500	-	-	-	-	-
Repayments of bank borrowings	-	(108,915)	-	-	-	-	-
Repayments of other borrowings	-	-	(2,240)	-	-	-	-
Interest paid on bank and other borrowings	-	(12,301)	(163)	-	-	-	-
Interest paid on bond payable	-	-	-	-	(948)	-	(3,552)
Repayment of lease liabilities							
– principal	(3,153)	-	-	-	-	-	-
Repayment of lease liabilities – interest	(1,493)	-	-	-	-	-	-
Total changes from financing cash flows	(4,646)	(71,716)	(2,403)	-	(948)	21,716	(3,552)
Other changes:							
Interest expenses (Note 9)	1,493	12,301	6,198	287	3,605	-	-
Gain on substantial modification of other borrowings (Note 8)	-	-	(65,206)	-	-	-	-
Gain on substantial modification of loans from a director (Note 36(iii))	-	-	-	-	-	(24,106)	-
Lease modification (Note 31)	(703)	-	-	-	-	-	-
Addition of new lease (Note 17)	6,312	-	-	-	-	-	-
Issuance of promissory note (Note 40(f))	-	-	-	13,600	-	-	-
Acquired through assets acquisition (Notes 40(d), (f))	18,435	-	74,331	-	-	-	-
Transfer from other payables (Note b)	-	-	284,057	-	-	73,430	-
Exchange realignment	(352)	-	(3,659)	-	-	(432)	-
Total other changes	25,185	12,301	295,721	13,887	3,605	48,892	-
At 31 December 2024	22,442	217,368	381,437	13,887	44,857	70,608	-

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 51. CASH FLOW INFORMATION *(Continued)*

### (b) Major non-cash transactions

During the year ended 31 December 2025, the Group entered into a lease agreement of shopping center premises for subleasing. The Group recognised approximately HKD798,000 of investment properties and lease liabilities.

During the year ended 31 December 2024, a right-of-use asset for new lease agreement entered by the Group for a hotel premises with amount of approximately HKD6,312,000 and the same amounts of lease liabilities were recognised.

During the year ended 31 December 2024, Mr. Lai agreed to take up the obligations of certain other payables owed by the Group to third parties as mentioned in Note 36(ii). The corresponding amount of RMB69,000,000 (equivalent to approximately HKD73,430,000) was reclassified from other payables to loans from a director of the Group.

The Group had entered into certain loan agreements with its existing creditors during the year ended 31 December 2024. As a result, other payables amounted to RMB263,499,000 (equivalent to approximately HKD284,057,000) were reclassified from other payables to other borrowings with details mentioned in Notes 33(iv) and 33(v).

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 52. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HKD'000	2024 HKD'000
<b>Non-current assets</b>			
Right-of-use assets		–	272
Interests in subsidiaries		<b>324,156</b>	439,774
		<b>324,156</b>	440,046
<b>Current assets</b>			
Deposit and prepayment		<b>395</b>	432
Other receivables		–	3
Amounts due from subsidiaries		<b>450,306</b>	327,918
Amount due from a director		–	65,746
Loan receivables		–	23,391
Financial assets at FVTPL		–	38,720
Investment in corporate bond		–	14,553
Cash and bank balances		<b>167,548</b>	75,262
		<b>618,249</b>	546,025
<b>Current liabilities</b>			
Accruals and other payables		<b>4,067</b>	8,330
Lease liabilities		–	309
Amounts due to subsidiaries		<b>300,000</b>	261,576
Promissory note		–	13,887
Bond payable		–	44,857
		<b>304,067</b>	328,959
<b>Net current assets</b>		<b>314,182</b>	217,066
<b>Total assets less current liabilities</b>		<b>638,338</b>	657,112
<b>Non-current liabilities</b>			
Promissory note		<b>16,174</b>	–
Loan from a director		<b>80,580</b>	–
		<b>96,754</b>	–
<b>Net assets</b>		<b>541,584</b>	657,112
<b>Capital and reserves</b>			
Share capital	37	<b>120,603</b>	101,556
Reserves	38	<b>420,981</b>	555,556
<b>Total equity</b>		<b>541,584</b>	657,112

The Company's statement of financial position was approved and authorised for issue by the board of directors on 30 March 2026 and is signed on its behalf by:

**Wang Qian**  
Director

**Lai Long Wai**  
Director

# Five-year Financial Summary

## RESULTS

	2025 HKD'000	For the Year Ended 31 December			
		2024 HKD'000	2023 HKD'000	2022 HKD'000	2021 HKD'000
Revenue	<b>114,602</b>	84,458	38,948	47,137	85,991
(Loss)/profit before income tax	<b>(56,461)</b>	35,884	(150,960)	(20,185)	(18,797)
Income tax credit/(expense)	<b>3,992</b>	(22,553)	(1,571)	4,580	42
(Loss)/profit for the year	<b>(52,469)</b>	13,331	(152,531)	(15,605)	(18,755)

## ASSETS AND LIABILITIES

	2025 HKD'000	As at 31 December			
		2024 HKD'000	2023 HKD'000	2022 HKD'000	2021 HKD'000
Total assets	<b>1,637,450</b>	1,667,533	1,225,921	1,372,511	1,381,292
Total liabilities	<b>815,835</b>	(819,503)	(424,856)	(437,050)	(466,040)
Total equity	<b>821,615</b>	848,030	801,065	935,461	915,252