諾科達科技
NOVAUTEK

NOVAUTEK TECHNOLOGIES GROUP LIMITED
諾科達科技集團有限公司

(Incorporated in Bermuda with limited liability)
Stock Code: 519



Annual Report 2026

CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	6
Biographies of Directors and Senior Management	20
Directors' Report	24
Corporate Governance Report	31
Environmental, Social and Governance Report	50
Independent Auditor's Report	97
Consolidated Statement of Comprehensive Income	103
Consolidated Statement of Financial Position	105
Consolidated Statement of Changes in Equity	107
Consolidated Statement of Cash Flows	109
Notes to the Consolidated Financial Statements	111
Five-Year Financial Summary	181
Particulars of Investment Properties, Land and Buildings under Property, Plant and Equipment and Properties Held for Sales	182
Definitions	183



CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wu Zhanming *(Chairman)*
Mr. Wang Chunsheng *(Chief Executive Officer)*

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Pengzhi
Mr. Yang Ye
Ms. Tsang Fung Chu *JP*

AUDIT COMMITTEE

Ms. Tsang Fung Chu *JP (Chairman)*
Mr. Jiang Pengzhi
Mr. Yang Ye

REMUNERATION COMMITTEE

Mr. Yang Ye *(Chairman)*
Ms. Tsang Fung Chu *JP*
Mr. Wu Zhanming

NOMINATION COMMITTEE

Mr. Wu Zhanming *(Chairman)*
Mr. Jiang Pengzhi
Ms. Tsang Fung Chu *JP*

COMPANY SECRETARY

Ms. Luk Shan

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2408A, 24th Floor
Tower 1, Lippo Centre
89 Queensway
Hong Kong

REGISTERED OFFICE

Richmond House, 12 Par-la-Ville Road
Hamilton HM 08
Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

Computershare Hong Kong
Investor Services Limited
17M Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

SHARE REGISTRAR IN BERMUDA

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court, 22 Victoria Street,
PO Box HM 1179, Hamilton HM EX
Bermuda

PRINCIPAL BANKS

China Construction Bank (Asia) Corporation Limited
Hang Seng Bank Limited
Nanyang Commercial Bank, Limited

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants

SOLICITOR

ONC Lawyers

STOCK CODE

HKEX: 519

WEBSITE

www.novautekgroup.com



Dear Shareholders,

On behalf of the Board of Novautek Technologies Group Limited, I would like to present to all Shareholders the annual report and the audited consolidated financial statements of the Group for the financial year ended 30 June 2026 ("FY2026").

Looking back on the current financial year, the global economy has gradually eased, with geopolitical realignments and technological competition coexisting. With China embarking on the 15th Five-Year Plan period, the Chinese economy has maintained a steady recovery, with new quality productive forces being cultivated at an accelerating pace and artificial intelligence ("AI") and robotics industries embracing development opportunities. Adhering to its core principles of "technology-driven, ecosystem symbiosis and resilient growth", the Group has firmly advanced its strategic transformation toward a "Robotics + Application Scenarios" service platform and service provider, driving the iteration of assets toward "lighter, higher-value". The AI RaaS ("Robotics-as-a-Service") business model has been continuously refined, with the robotics business achieving rapid growth and drawing attention from both the industry and capital markets, thereby laying a solid foundation for the Group's high-quality development.

I. ROBOTS AND AI BUSINESS

Since the strategic changed name in February 2025, the Group has fully focused on the innovative track of intelligent robot, driving the deep integration of AI technology, intelligent robotics and scenario application services. During the year, the Group iteratively upgraded its AI RaaS platform to accelerate commercial deployment across multiple scenarios, with several projects winning industry awards.

The Hong Kong market saw positive growth. The deployment of intelligent logistics robots in public housing estates were recognized as a benchmark for commercial application, serving as a demonstration case for the local deployment of AI robot. In the mainland market, the Group has entered into cooperation with leading property management enterprises to launch pilots in smart property scenarios, expanding its business in accordance with the "Validate First, Scale later" pathway. From a financial perspective, revenue from the AI robotics segment achieved explosive growth, with product sales and leasing income realizing simultaneously, while a robust reserve of contracted but unrecognized revenue has been secured.

In terms of research and development ("R&D") and talent development, based on its Technology Application Centre at the Hong Kong Science Park, the Group has established an operational entity at the Nanshan Science and Technology Park in Shenzhen, attracting core technical talent and instituting an industry-academia-research collaboration mechanism to accelerate technological breakthroughs and scenario commercialization. Meanwhile, the Group advanced a convertible bond financing, with the proceeds to be primarily deployed towards R&D and manufacturing of the robotics business, market expansion and working capital, providing capital support for business growth. During the current financial year, revenue contribution from the AI robotics business rose from 4% in the previous year to 30%, with the results of the transformation reflected in the financial figures.



II. PROPERTY BUSINESS

The Group is accelerating its overall transformation from the real estate business to the AI robotics sector. The existing property project in Wuxi maintains its basic operations, with commercial leasing and tenant recruitment progressing in an orderly manner. The Group is currently planning the Novautek AI Mall, exploring a synergistic model for an AI robotics scenario application industrial park. At this stage, the core work of the property segment focuses on revitalizing existing assets, risk management prudently assessing asset values and ensuring stable operation of the existing assets, thereby providing a transition that bridges to the rapidly growing technology business.

III. INVESTMENT BUSINESS

The investment business aligns with the Group's core transition toward technology, focusing on artificial intelligence, intelligent driving and robots. Leveraging Novautek Autonomous Driving, the Group seeks to build a commercial closed loop underpinned by "technology empowering scenarios and synergistic application ecosystems".

The Group adheres to an industry-oriented investment approach, balancing financial returns with business synergies, with a strategic focus on frontier technologies that can empower its AI RaaS and core robotics businesses. It drives the internal translation of technological achievements from investees, cultivates a second growth curve for the Group, and serves the strategic objective of its overall transformation into a technology services enterprise.

IV. CAPITAL MARKET REVIEW

The Group is listed on the Main Board of the HKEx (stock code: 519). During the reporting period, market sentiment towards the AI and robotics sectors continued to strengthen. Coupled with the rapid revenue growth of the Group's robotics business, capital market attention towards the Company's strategic transformation has steadily increased. The Group has continuously enhanced investor communication to convey business progress and long-term strategy, and has launched a convertible bond financing plan to supplement funding for R&D, production and overseas market expansion.

Meanwhile, the AI robotics industry remains in the early stages of commercialization, with multiple uncertainties arising from the macroeconomic environment, geopolitical factors and industry competition. The Group will adhere to lean operations and prudent capital management, striving to translate its technological capabilities into long-term shareholder value.



V. FUTURE OUTLOOK

Looking ahead to the next financial year, the AI and robotics industry remains in a high-growth cycle, with policy dividends from the development of new quality productive forces continuing to be released. However, challenges such as intensifying market competition and uncertainties in overseas markets persist. The Group will adhere to its core strategy of "technology-driven, ecosystem symbiosis and resilient growth", continuing to drive its asset structure towards being lighter and high-value while improving organizational and operational efficiency.

1. Strengthen scenario deployment capabilities for "AI + Robotics", refine the differentiated AI RaaS service model, deepen engagement with benchmark projects in Hong Kong and the mainland, and drive scalable business expansion;

2. Steadily advance global deployment by leveraging mature AI RaaS solutions, accelerate market expansion in Southeast Asia and other regions, and achieve rapid growth in overseas business;

3. Deepen industrial ecosystem synergy, upgrade the "AI Agent" digital marketing platform, and explore new specific application scenarios;

4. Implement lean operations, build a "AI + Robotics + Capital" value creation platform, and strive to become a technology service group underpinned by real-economy operations, driven by technology and empowered by capital, creating value for Shareholders, customers, and society.

Amid the wave of industry transformation, opportunities and challenges coexist. I extend my sincere gratitude to the Group's Shareholders for their trust, to all employees for their dedication, and to our partners for their unwavering support. The Group will remain pragmatic and proactive, seize industry opportunities, prudently manage market risks and steadily advance high-quality development, looking forward to working with all stakeholders to create a brighter future together!

By order of the Board

Wu Zhanming
Chairman

Hong Kong, 29 September 2026



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group's principal businesses are AI robots, property development, property investment and investment holding during FY2026. Navigating a complex market landscape, the Group focused on achieving breakthroughs in strategic emerging businesses while maintaining stable operations in traditional sectors. Among these, the AI robotics business emerged as a key driver for the Group's future growth.

AI ROBOTS

INDUSTRY TRENDS

Amid the global wave of technological and industrial reshaping, the robotics industry is undergoing a profound transformation from automation to embodied intelligence. In terms of investment and industry trends, the broad AI and robotics sector has moved beyond mere technical proof-of-concept validation, and capital and market attention has comprehensively shifted toward the depth of scenario deployment and the ability to achieve a closed commercialization loop. On the one hand, accompanied by the accelerating integration of large models and robotic hardware, the commercial application of "AI + Robotics" in vertical sectors has witnessed explosive growth. On the other hand, driven by policy incentives under the "15th Five-Year Plan" of the PRC to cultivate new-quality productive forces, the AI RaaS (Robotics as a Service) business model centered on service leasing and on-demand enablement is becoming one of the most promising high-value technology tracks in the capital market due to its asset-light nature, high stickiness and high marginal returns.



Project Matrix (Partial)

BUSINESS PROGRESS AND FINANCIAL PERFORMANCE

During FY2026, the AI robotics business has been formally established as the Group's core growth engine. Since the Company's change of name in 2025, the Group has focused fully on the intelligent robotics innovation track, driving rapid iteration of its asset structure towards an "asset-light, high-value" model, such transformation has achieved notable results which are directly reflected in the financial data.

During the reporting period, with the continuous refinement of the AI RaaS business model, the Group's AI robotics business witnessed a parallel release in product sales and lease income. The segment's revenue as a proportion of the Group's total revenue rose significantly from 4% in the prior year to 30%, representing an increase of 550%. As at 30 June 2026, the aggregate value of contracted but unrecognized revenue stood at approximately HK$4,441,000. After the reporting period, i.e., from 1 July 2026 to the date of this annual report, newly signed contracts amounted to HK$9,182,000, the contracted value for the first quarter approximates the revenue for FY2026, demonstrating the robust growth momentum of the robotics segment.

Meanwhile, to strengthen its technological foundation, the Group continued to deepen its industry-academia-research collaboration mechanism. Building on its Technology Application Centre at Hong Kong Science Park, the Group has successfully set up an operating entity in Shenzhen Nanshan Science Park, fully leveraging the synergistic advantages and talent clustering effects of Shenzhen and Hong Kong, focusing on key technology breakthroughs, enhancing the iteration efficiency of its intelligent robotics and AI RaaS platform, and driving the rapid deployment of multi-scenario applications. Additionally, the Group successfully completed the issuance of convertible bonds of HK$33 million on 18 September 2026, with the proceeds primarily allocated to the research and development (the "R&D") and manufacturing, the expansion of application scenarios and the replenishment of working capital for its robotics business, providing strong capital guarantee for the rapid expansion of such business.

REVIEW ON MARKET EXPANSION

During the reporting period, the Group adhered to a prudent path of "expanding upon validation", deepening local benchmarks, advancing domestic pilots and accelerating its overseas market layout. In the Hong Kong local market, the Group achieved a major breakthrough in the commercialization of its AI RaaS model, with intelligent patrol, cleaning and handling robots successfully deployed in Hong Kong public housing estates and private residential estates, which were recognized as commercial application benchmarks and became demonstration cases for the local deployment of AI robots in Hong Kong. In the Mainland market, the Group entered into in-depth cooperation with leading property management companies and urban public service institutions, actively carrying out pilots in application scenarios such as smart property management and urban governance. At the same time, the Group actively explored the synergistic empowerment of technology and existing assets, and planned to build a "Novautek AI Mall", attempting to explore a collaborative model for an AI robot scenario application industrial park. In the international market, leveraging its mature AI RaaS solutions, the Group steadily advanced its global deployment, with a focus on broad layout in high-potential markets including Southeast Asia, etc., accelerating the implementation of overseas business and further expanding the Group's business presence and brand effect in the international market.



Cleaning Project by a service company under Savills



Large-scale government implementation project – M2 patol robot

FUTURE PLANS

Looking ahead to the next financial year, in the face of the rapid development cycle and policy dividends of the AI and robotics industry, the Group will firmly implement its core strategy of "Technology-driven, Eco-symbiotic and Resilient Growth", and continue to advance its asset structure towards a asset-light and high-value model. The Group will continue to comprehensively promote market deepening and regional expansion, continuously refine its differentiated AI RaaS service model, deepen existing benchmark projects such as smart communities and smart property management in Hong Kong and the Mainland markets, and accelerate the development of standardized solutions that can be rapidly replicated, driving scalable business expansion and sustained revenue release. In parallel, leveraging its established overseas channels and mature solutions, the Group will focus on deepening its presence in high-potential markets including Southeast Asia, etc., further increasing the proportion of overseas business and building a strong second growth curve.

In terms of technology R&D and ecosystem development, the Group will fully leverage the industry-academia-research collaboration advantages of its dual centers in Shenzhen and Hong Kong, upgrade its "AI Agent" digital platform, and actively explore new segmented application scenarios. In addition, leveraging its value creation platform integrating "AI + Robotics + Capital", the Group will pursue lean operations and prudent capital management, and strive to build a technology services group underpinned by real industry, driven by technology and empowered by capital, thereby delivering long-term and sustainable value for shareholders.

PROPERTY DEVELOPMENT

After the acquisition of Wuxi Shengye in June 2017, the pre-sale of the properties under development commenced in October 2017 and the construction of the Wuxi Property Project has completed gradually as at 30 June 2023. Most of the apartment portion of the first and second phase have been delivered to customers as at 30 June 2021. During FY2026, properties were delivered to customers and recognised a revenue of HK$12,650,000 *(2025: HK$19,794,000)*. As at 30 June 2026, the sales amount of the contracts signed but properties not yet delivered were approximately HK$10,350,000.

The Group's property development and investment segments faced a highly challenging operating landscape. In particular, the recognised revenue of the property development segment recorded a reduction in the first half of 2026. The broader Chinese Mainland property market remained in a downturn, persistent downward pressure on selling prices together with sluggish transaction activity weighed on sales take-up.

The Group's Wuxi Property Project was partly handed over to buyers in 2021-2022 and fully completed in 2023. As buildings and facilities get older, maintenance costs have increased. The remaining unsold completed units require ongoing maintenance costs, which reduce the returns from this old property portfolio.

As part of the Group's business transformation, the Company is gradually exiting these legacy property assets. To speed up the sale of remaining units, the Group has newly appointed property agents. The units will be offered at competitive market prices to improve the inventory clearance rate and optimise our property asset mix.

PROPERTY INVESTMENT

The Group commenced sub-division of the property of the whole 24th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong (the "Sub-division Properties") in October 2018 and the sub-division was completed in February 2019. The Sub-division Properties included three self-use units and twelve leasing units as at 30 June 2026. The fair value of the Sub-division Properties classified as non-current assets classified as held for sales as at 30 June 2026 was HK$127,560,000. The fair value of the Group's investment properties, including Hong Kong Sub-division Properties, declined during FY2026. Global economic headwinds and the wider adoption of hybrid working have dampened demand for Grade A office space in Hong Kong, market transaction prices remained subdued. Over the past year, the Group disposed of three units of Sub-division Properties and recorded losses on such disposals. These realised sale transactions further supported the downward market valuation assumption adopted by the independent valuer, leading to an overall fair value reduction of the property portfolio. As a result, the fair value of the Group's Hong Kong Sub-division properties decreased by HK$64,326,000 for FY2026.

Additionally, commercial properties in the Wuxi Property Project comprises Phase 1 and Phase 2 including the car park with approximately 95,000 square meters. The overall leasing occupancy of the commercial properties remained at a low level during the reporting period. There was no improvement in leased coverage or occupied units throughout the year. The sluggish leasing performance and limited rental income potential have collectively caused the downward fair value adjustment of the Group's commercial property assets. Additionally, during FY2026, there are 785 parking spaces in total in the leased car park (the "Car Park") of the Wuxi Property Project, and the fair values of its Car Park and commercial properties (the "Commercials") were HK$28,773,000 and HK$266,353,000, respectively. The Group's investment properties contributed rental and management income of HK$9,133,000 in total for FY2026 *(2025: HK$11,813,000)*.



INVESTMENT HOLDING

The Group's investment strategy for its investment holding business is mainly to diversify its investments in unlisted investment funds, listed equity securities and listed debt instruments. For FY2026, the Group recorded interest and dividend income from financial assets at FVPL of HK$28,000 *(2025: HK$779,000)*, net gain on disposal of financial assets at FVPL of HK$941,000 *(2025: HK$15,093,000)* and a net decrease in fair value of financial assets at FVPL of HK$18,078,000 *(2025: HK$19,920,000)*.

Following the Group's strategic transformation, AI and robotics technology development have become the Group's core business focus. The Group will concentrate its resources on AI-related projects and will mainly consider investments that are closely aligned with its core technological development direction, ensuring that capital deployment is consistent with the Group's long-term development roadmap. The investments held by the Group mainly included unlisted investment funds, listed equity securities and listed debt instruments, each of which represented less than 5% of the Group's total assets as at 30 June 2026.

FINANCIAL REVIEW

REVENUE, COST OF SALES AND GROSS PROFIT MARGIN

The revenue of the Group decreased by HK$2,811,000, or approximately 8%, from HK$33,795,000 for FY2025 to HK$30,984,000 for FY2026. The revenue combination for FY2026 has been shifted from sales of properties and rental income from properties to rental and sales income from AI robots as a core business. Decrease in overall revenue was mainly due to less properties delivered to customers during FY2026. The revenue generated from properties development segment decreased by HK$7,144,000, or approximately 36%, from HK$19,794,000 for FY2025 to HK$12,650,000 for FY2026. The revenue generated from AI robots segment for FY2026 was HK$9,173,000, increased by HK$7,764,000, or 551% from HK$1,409,000 for FY2025 and the gross profit margin was approximately 48% *(2025: approximately 42%)*.



LOSS ON DISPOSAL OF NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES

The loss on disposal of non-current assets classified as held for sales was HK$5,718,000 for FY2026 *(2025: HK$Nil)*. The loss for FY2026 was mainly due to the disposal of three units of the Hong Kong Grade A office.

NET GAIN ON DISPOSAL OF FINANCIAL ASSETS AT FVPL

Net gain on disposal of financial assets at FVPL of the Group was HK$941,000 for FY2026 *(2025: HK$15,093,000)*. No material disposal was noted for FY2026.

NET DECREASE IN FAIR VALUE OF FINANCIAL ASSETS AT FVPL

Net decrease in fair value of financial assets at FVPL of the Group decreased by HK$1,842,000, or approximately 9%, from HK$19,920,000 for FY2025 to HK$18,078,000 for FY2026. The net decrease in the fair value of financial assets at FVPL was mainly due to the changes in the fair value of Zall Smart Commerce Group Ltd. (stock code: 2098) held by the Group, and the net decrease in its fair value for the current year was HK$10,431,000.

NET (DECREASE) INCREASE IN FAIR VALUE OF INVESTMENT PROPERTIES AND IMPAIRMENT LOSS ON NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES

The Group recognized a net decrease in fair value of investment properties and impairment loss on non-current assets classified as held for sales of HK$493,762,000 and HK$22,379,000 respectively in FY2026 *(2025: net increase of HK$74,522,000 and HK$Nil)*. Among these, the net loss in fair value of the investment properties and impairment loss on non-current assets classified as held for sales amounted to HK$28,576,000 and HK$22,379,000 respectively, mainly represented the fair value loss of Sub-division Properties in Hong Kong. Whereas the net loss in the fair value of the overall Car Park and Commercials amounted to HK$465,186,000. The net decrease in fair value primarily due to the sluggish leasing performance and limited rental income potential have collectively contributed to the downward fair value adjustment of the Group's retail property assets.

The fair value of the Group's investment properties and carrying value of non-current assets classified as held for sales are determined with reference to the valuation report issued by an independent professional valuer, APAC Appraisal and Consulting Limited ("APAC"), based on fair value and net realisable value (the "NRV"). The responsible person signing off the valuation report is a Chartered Valuation Surveyor (RICS), MRICS, CPA (Aust.) and FRM, with over 15 years of comprehensive valuation, advisory, and real estate consultancy experience across Hong Kong, Chinese Mainland, and Southeast Asia.

The assessment method is determined based on the acquisition and utilization of properties in different regions. Specifically, the fair value of Grade-A offices in Hong Kong was assessed using the market approach; and the valuation of the Car Park and Commercials in Wuxi was primarily based on the income approach. The valuation methodologies and input data assumptions are generally consistent with those used in the previous years, expected disclosed below. As at the date of this annual report, there have been no subsequent changes to the valuation methodology adopted.

1. Sub-division Properties, Grade-A offices in Hong Kong

Valuation methodology

In valuing the property, which are held for investment and self-occupied in Hong Kong, APAC has valued such properties by the direct comparison approach assuming sale with the benefit of vacant possession in their existing states by making reference to comparable sales transactions as available in the market.



Valuation assumptions

The valuation has been made on the assumption that the owner sells the property on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the property.

No allowance has been made in APAC's report for any charge, mortgage or amount owing on the property nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Key input adopted by APAC in the valuation report are as follows:

Grade-A offices

Market rate	HK$19,200 to HK$21,400 (per square foot on Saleable Area basis)

2. The Carpark and Commercials portions of the Wuxi Property

Valuation methodology

In undertaking the valuation for the Wuxi Property, which are held for investment in the PRC, APAC has made reference to the comparable market transactions as available in the market and where appropriate, valued the property on the basis of capitalization of net incomes as shown on the schedules handed to APAC with due allowance for reversionary income potential of the Wuxi Property.

Valuation Assumptions

The valuation has been made on the assumption that the Wuxi Property would be exchanged in an orderly transaction between market participants as at the valuation date, without the benefit or burden of any deferred term contract, leaseback, joint venture, management agreement or other special arrangement that is not representative of normal market conditions and which may affect the fair value of the Wuxi Property.

No allowance has been made in the valuation for any charges, mortgages or other amounts owing in respect of the Wuxi Property, nor for any transaction costs, expenses or taxation that may be incurred in effecting a sale, except where such items are characteristics of the Wuxi Property that would be taken into account by market participants. Unless otherwise stated, it is assumed that the Wuxi Property are free from encumbrances, restrictions and onerous outgoings that could materially affect their fair values.

Based on recent market transaction data for similar properties in the surrounding area of the Wuxi Property, key input adopted by APAC in the valuation report are as follows:

Car Park

Rent	RMB285 (per space per month)
Bulk discount	30%
Market yield rate	5.74%

Commercials

Rent	RMB68 to RMB70 (per square meter per month on Gross Floor Area basis)
Bulk discount	30%
Market yield rate	6.05%



The Hong Kong Grade-A office market remained subdued during FY2026. Although vacancy rates declined and leasing activity in Central showed signs of a modest rebound, investment demand remained weak, with investors cautious about acquiring office units. Overall transaction volumes and pricing continued to be pressured by the prevailing high-interest-rate environment. Coupled with multiple headwinds including corporates' cautious expansion plans amid global economic uncertainties and structural weakening in demand for conventional office space driven by the sustained adoption of flexible working arrangements, the recovery of the office property market fell short of expectations. The Company has disposed three units of Hong Kong Grade-A office during FY2026 and recorded loss. This sluggish market condition is directly reflected in the fair value of the Group's related investment properties in Hong Kong.

In FY2026, the car park and commercials portions of the Wuxi Property Project recorded substantial fair value losses. This was mainly attributable to the continued weak performance of the Chinese Mainland property market and the Group's decision to reposition the commercial premises after the proposed robotics industrial park progressed more slowly than anticipated. The premises intended for the robotics industrial park have remained vacant and in shell condition for over two years. Unlike last year, there were no definite prospective tenants in the current year, creating uncertainty over future rental income. Therefore, in assessing fair value, the valuer therefore adopted more conservative rental assumptions than in the previous year. The Company remains committed to revitalising the project and is open to leasing out the commercial space at a discount, which further contributes to the significant valuation reduction.

IMPAIRMENT LOSS ON PROPERTIES HELD FOR SALES

The Company recorded an impairment loss on properties held for sales of approximately RMB34,502,000 for FY2026. As previously mentioned, the impairment loss derived from the Wuxi Property apartments. Revenue of the Wuxi Property sold decreased from HK$19,794,000 in FY2025 to HK$12,650,000 in FY2026. The operating environment of China's domestic real estate market remained challenging, and the pace of inventory clearance for the project slowed markedly in the first half of 2026. The Group therefore plans to adjust selling prices to accelerate the disposal of its property inventory. The resulting material drop in property selling prices has triggered impairment provisions on the relevant assets.

The valuation of properties held for sales was also performed by APAC, the independent professional valuer.

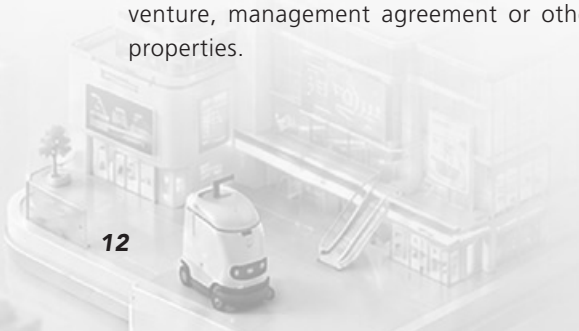
Valuation methodology

In undertaking the valuation, APAC has adopted the direct comparison approach to estimate the selling price of the properties by making reference to comparable sales evidence available in the relevant markets, with appropriate adjustments made for differences between the comparables and the properties.

The resulting estimated selling price has then been adjusted by deducting, where applicable, the estimated costs of completion and the estimated costs necessary to make the sale in order to derive the NRV of the properties as at the valuation date. NRV is used for property inventory because it reflected the net amount the Group can actually recover from selling the properties under current market conditions.

Valuation Assumptions

The valuation has been made on the assumption that the properties are available for sale in the ordinary course of business in their existing states, without the benefit or burden of any deferred term contract, leaseback, joint venture, management agreement or other special arrangement that may affect the estimated selling price of the properties.



In determining the NRV, it was assumed that the properties can be sold under normal market conditions and that the estimated costs of completion, if any, together with the costs necessary to make the sale, will be incurred as appropriate.

Key input adopted by APAC in the valuation report for properties held for sales are as follows:

Apartments

Market rate	RMB4,200 to RMB4,300 (per GFA square meter on Gross Floor Area basis)

There have been no changes in the valuation method or key values/assumptions, the market rate is based on the latest market data, and no subsequent changes to the valuation method as used in the valuation report will be necessary.

SELLING EXPENSES

Selling expenses of the Group increased by HK$4,383,000, or approximately 83%, from HK$5,282,000 for FY2025 to HK$9,665,000 for FY2026. The selling expenses of FY2026 mainly comprised salaries and sales service fees. The increase in selling expenses was mainly due to the increase in salary expenses related to selling activities from expanding AI robotics segment in FY2026.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group decreased by HK$574,000 or approximately 2%, from HK$26,241,000 for FY2025 to HK$25,667,000 for FY2026. Administrative expenses mainly include staff costs and legal and professional fees. The robotics segment continued to grow. Meanwhile, the Group maintained effective control over overall administrative expenses by optimising manpower allocation and improving cost efficiency across other segments.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of the Group increased by HK$3,628,000, or approximately 186%, from HK$1,954,000 for FY2025 to HK$5,582,000 for FY2026. Research and development expenses were mainly due to costs of the research and development staff within the AI robotics segment and costs to acquire software and hardware. The Group continues to invest in R&D expenses to enhance localised product adaptation and expand the deployment of its AI RaaS system.

IMPAIRMENT LOSS ON PROPERTY, PLANT AND EQUIPMENT

Impairment loss on property, plant and equipment of the Group increased by HK$1,482,000, or approximately 12%, from HK$11,889,000 for FY2025 to HK13,371,000 for FY2026. It is mainly relating to self-used Sub-division Properties in Hong Kong for both years. The details of valuation are disclosed above.

FINANCE COSTS

Finance costs of the Group decreased by HK$843,000, or approximately 11%, from HK$7,870,000 for FY2025 to HK$7,027,000 for FY2026. The decrease in finance costs was due to the decrease in outstanding borrowings resulting from partial repayments and a reduction in interest rates in FY2026.

TAXATION

The Group recorded tax credit of HK$135,590,000 *(FY2025: tax expenses of HK$39,818,000)* for FY2026. The tax credit of FY2026 mainly represented the reversal of temporary difference of the fair value of Wuxi Property Project.



LOSS FOR THE YEAR

The Group recorded a loss of HK$482,439,000 for FY2026, compared with a profit of HK$7,125,000 for FY2025. The shift from profit to loss for FY2026 was mainly due to: (i) a change in the fair value of the Group's investment properties from gain of HK$74,522,000 to loss of HK$493,762,000; (ii) impairment loss on properties held for sales of approximately HK$34,502,000 for FY2026; and (iii) impairment loss on non-current assets classified as held for sales approximately HK$22,379,000 was provided by the Group for FY2026.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2026, the Group had current asset of HK$288,946,000 *(2025: HK$355,810,000)* and current liabilities of HK$285,213,000 *(2025: HK$341,929,000)*, representing a current ratio of approximately 1.01 times *(2025: approximately 1.04 times)*. The Group's total equity and the total bank and other borrowings as at 30 June 2026 amounted to HK$329,853,000 *(2025: HK$787,376,000)* and HK$150,498,000 *(2025: HK$178,186,000)* respectively. The bank and other borrowings of the Group of approximately HK$150,498,000 were repayable within one year. The gearing ratio of the Group as at 30 June 2026, calculated as a ratio of the bank and other borrowings to the total equity, was approximately 46% *(2025: approximately 23%)*.

PRINCIPAL RISK AND UNCERTAINTIES

The Group is principally engaged in AI robots, property development, property investment and investment holding. The financial position, operations, businesses and prospects of the Group and its individual business segment are affected by the following significant risks and uncertainty factors:

BUSINESS RISK

The Group's robots business is contingent upon performance in Hong Kong, Chinese Mainland and international markets. Robotics technology belongs to the high-tech sector with abrupt shifts in market demand, rapidly evolving technological advancement and fast product updates and iterations. To maintain competitiveness, supply chain agility and accuracy for forecasting market demand are critical. However, as the AI robots business is still in the growth stage, the commercial model of the AI robots requires continuous optimization based on market feedback and is therefore influenced by market factors to a certain extent. The Group will proactively manage related risks and dynamically adjust operation strategies to enhance the sustainable development capabilities of this business.

The prospects of the Group's property business depend on the performance of the property market in Hong Kong and the PRC. Also, the fair values of the Group's investment properties and financial results of the property development segment directly link to the performance of the property market in Hong Kong and the PRC. Any real estate market downturn in Hong Kong and the PRC may materially and adversely affect the financial position, operations, businesses and prospects of the Group and may lead to fair value loss of the Group's investment properties and net loss from property development segment. The real estate markets in Hong Kong and the PRC are affected by many factors, including but not limited to, changes in the local's economic, political, social and legal environment, and changes in the local's fiscal and monetary policy, all of which are beyond the control of the Group. The management policy to mitigate this risk is to diversify the Group's business in terms of asset composition, revenue and profitability.



MARKET RISK

While robotics technology theoretically holds broad application prospects across multiple fields, such as commercial application, property management, logistics distribution, medical services, industrial production, and home care, the expansion of the robotics market faces numerous challenges in the practical commercialization process. The requirements of different industries and customers vary greatly for the functions, prices, safety, and other aspects of robots, with some customers remaining cautious about adopting the new technologies. The Group is actively embracing emerging business models such as RaaS to gradually enhance the market's application of robots.

The Group's property investment business is operating in a rather competitive environment as rental rates of properties are transparent in property leasing market in Hong Kong and the PRC. The transparency of the leasing market puts pressure on the revenue and profitability of the Group's property investment business. The management policy to mitigate this risk is to diversify its property investment portfolio (where possible) in terms of property type and location.

The real estate market in the PRC is highly competitive. The areas that are in competition include quality, design, brand, cost control and environment ancillary facilities. If the competitors of the Group keep on improving their products, the Group will improve its quality and strengthen cost control to catch the market and maintain the sales turnover.

FINANCIAL RISK

The Group is exposed to financial risks relating to foreign currency, equity price, credit and liquidity risk in its ordinary course of business. As stated below, the majority of the Group's assets and liabilities were denominated in Renminbi ("RMB"), Hong Kong dollars ("HK$") and United States dollars ("US$"), and hence the exposure to foreign exchange risk was insignificant to the Group. The Group is exposed to price risk principally arising from listed equity investments held under financial assets at FVPL. Credit risk refers to the risk that debtors will default on their obligations to repay the amounts due to the Group. The Group's credit risk is mainly attributable to loans receivables and cash equivalents. The management considers that the credit risk in relation to the cash equivalents is insignificant as they were deposited in credit-worthy banks and securities brokers. The Group has monitored the credit risk from loans receivables on an on-going basis. Although a credit impairment on loans receivables of HK$58,989,000 was noted for FY2020, subsequently, partial repayments of HK$10,000,000 and HK$10,000,000 have been received in FY2021 and FY2022 respectively, and a further repayment of HK$25,208,000 was received in July 2022. The Group would continue to take follow-up actions to recover the debts. The Group would maintain a sufficient level of cash and cash equivalents to finance the Group's operations and expected expansion. Therefore, the liquidity risk is insignificant.

FOREIGN CURRENCY MANAGEMENT

The majority of the Group's assets and liabilities were denominated in RMB, HK$ and US$, and hence the exposure to foreign exchange risk was insignificant to the Group during the year. The Group does not engage in any foreign exchange speculation activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expenses, and where exposure to foreign exchange is anticipated, an appropriate hedging instrument will be used.



TREASURY POLICIES

As at 30 June 2026, the Group's bank and other borrowings of approximately HK$141,524,000 *(2025: HK$166,971,000)* and HK$8,974,000 *(2025: HK$11,215,000)* were denominated in HK$ and RMB respectively. The balances of bank and other borrowings of approximately HK$141,524,000 *(2025: HK$166,971,000)* and HK$8,974,000 *(2025: HK$11,215,000)* were at variable and fixed interest rates respectively. Cash and cash equivalents held by the Group were mainly denominated in HK$, RMB and US$. The Group currently does not have interest rate hedging policies as the management of the Group does not expect unforeseeable interest rate risk at the end of FY2026. However, the management of the Group monitors the interest rate exposure from time to time and may consider hedging significant interest rate exposure if needed.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for FY2026 are set out in note 7 to the consolidated financial statements of this annual report.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as disclosed in the section headed "Business Review – Investment Holding" in this annual report, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2026.

There has been no formal plan authorised by the Board for any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures as at 30 June 2026 and up to the date of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other future plans for material investments or capital assets during FY2026.

COMMITMENTS

Details of the commitments of the Group as at 30 June 2026 are set out in note 31 to the consolidated financial statements of this annual report.

PLEDGE OF ASSETS

As at 30 June 2026, the Group had provided the following securities for banking facilities granted to the Group:

(i) pledge of leasehold land and buildings under investment properties, non-current assets classified as held for sales and property, plant and equipment of the Group with carrying amounts of HK$Nil, HK$127,560,000 and HK$36,970,000 respectively *(30 June 2025: HK$121,900,000, HK$82,800,000 and HK$51,100,000 respectively)*;

(ii) assignment agreements in respect of rental income of the Group's Sub-division Properties located in Hong Kong duly executed by the Group in favour of the bank; and

(iii) assignment agreements in respect of insurance compensation of the Group's Sub-division Properties located in Hong Kong and leasehold land and building duly executed by the Group in favour of the bank.

As at 30 June 2026, the carrying value of the financial assets at FVPL of approximately HK$8,538,000 *(2025: approximately HK$7,033,000)* was pledged as collateral to the margin loan facilities granted to the Group with corporate guarantee provided by the Company. No margin loan facilities were utilised as at 30 June 2026 *(30 June 2025: Nil)*.

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group as at 30 June 2026 are set out in note 35 to the consolidated financial statements of this annual report.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2026, the Group employed a total of 59 *(2025: 56)* full-time employees and executive Directors. The Group's total staff costs including Directors' emoluments amounted to HK$24,512,000 for FY2026 *(2025: HK$19,528,000)*. The remuneration packages for Directors and employees are normally reviewed annually and are structured with reference to market terms and individual competence, performance and experience. The Group also provides medical insurance coverage and operates a provident fund scheme or relevant fund scheme for its employees in Hong Kong and the Chinese Mainland.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board and management are aware, the Group has complied in all material respects with the relevant laws and regulations that have a significant impact on the businesses and operations of the Group. During the financial year under review, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH EMPLOYEES AND CUSTOMERS

The Group understands the importance of maintaining a good relationship with its employees and customers to meet its immediate, medium and long-term business goals. During the financial year under review, there was no significant dispute between the Group and its employees and customers.

SUBSEQUENT EVENTS

Details of the events subsequent to 30 June 2026 are set out in note 36 to the consolidated financial statements of this annual report.

USE OF PROCEEDS FROM THE SUBSCRIPTION AND CHANGE IN THE INTENDED USE OF THE NET PROCEEDS

The Company successfully completed the allotment and issuance of 550,000,000 new ordinary shares of the Company (the "Shares") under the specific mandate to Ruixing Investments Limited at a price of HK$0.068 per Share (the "Subscription") on 30 October 2023, the subscription price represents: (i) a discount of approximately 17% to the closing price of HK$0.082 per Share as quoted on the Stock Exchange on the date of the subscription agreement; and (ii) a discount of approximately 19% to the average closing price of approximately HK$0.084 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreement. The Company considered that the Subscription will raise additional funds for the Group's business operations, replenish its working capital and improve the financial position of the Group for its future development and prospects. In addition, it will provide the Company with capital for new investment opportunities to broaden the revenue and profit potential of the Group and enhance the value of the Shareholders in long term. Details of which are set out in the announcements of the Company dated 26 July 2023, 19 October 2023 and 30 October 2023, and the circular of the Company dated 28 September 2023. The net proceeds of the Subscription (the "Net Proceeds") amounted to approximately HK$36,558,000, representing a net subscription price of approximately HK$0.066 per subscription share, and were intended to be used as follows: (i) approximately HK$26,558,000 would be used for the general working capital of the Group, which includes approximately HK$10,000,000 for finance costs such as interest expenses on bank and other borrowings and approximately HK$16,558,000 for administrative expenses such as staff costs, legal and professional fees and other expenses incurred in support of the operating activities, subject to actual business needs; and (ii) approximately

HK$10,000,000 was reallocated from the potential investment opportunities in high-tech industries as identified by the Group from time to time to fund the Group's development of AI robotics technology, details of which are set out in the announcement of the Company dated 28 February 2025. As of 31 December 2025, the remaining amount of the Net Proceeds is HK$2,205,000. It was estimated that the Net Proceeds would be fully utilized in accordance with its intended purposes by 28 February 2026.

The following table sets forth a summary of the utilization of the Net Proceeds as of 30 June 2026:

Purposes	% of the Net Proceeds (Revised)	Amount available for utilization (Revised) (HK$)	After revision/ unutilized amount as of 30 June 2025 (HK$)	Utilized amount during FY2026 (HK$)	Unutilized amount as of 30 June 2026 (HK$)
For working capital of the Group					
For finance costs	27.35%	10,000,000	–	–	–
For administrative expenses	45.30%	16,558,000	–	–	–
For the expenses to develop AI robotics technology by the Group	27.35%	10,000,000	8,557,000	8,557,000	–
For potential investment opportunities in high-tech industries as identified by the Group	0%	–	–	–	–
Total	100%	36,558,000	8,557,000	8,557,000	–



COMPLETION OF THE ISSUANCE OF CONVERTIBLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF HK$33,000,000

On 24 July 2026, the Company entered into four separate subscription agreements ("Subscription Agreements") with the respective subscribers, pursuant to which the Company has conditionally agreed to issue, and the Subscribers have conditionally agreed to subscribe for, the convertible bonds with an aggregate principal amount of HK$33 million. The principal amounts of the convertible bond are HK$8 million, HK$8 million, HK$5 million and HK$12 million, respectively. The initial conversion price for each of the convertible bonds shall be HK$0.18 per relevant conversion share (subject to adjustments), which represents: (i) a premium of approximately 14.65% over the closing price of HK$0.157 per Share as quoted on the Stock Exchange as at the date of the Subscription Agreements; (ii) a premium of approximately 14.65% over the average closing price of HK$0.157 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the date of the Subscription Agreements; and (iii) a premium of approximately 15.38% over the average closing price of HK$0.156 per Share as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the date of the Subscription Agreements. The Company considers that: (i) the subscriptions represent the opportunities for the Group to strengthen its financial position and liquidity, as well as to broaden the Company's shareholder and capital base; (ii) the issue of the convertible bonds will not cause any immediate dilution effect on the shareholding of the existing Shareholders; and (iii) the connected subscription demonstrates the connected subscriber's confidence in and commitment to the existing businesses of the Group. Details thereof are set out in the Company's announcements dated 24 July 2026, 15 September 2026 and 18 September 2026, and the circular of the Company dated 25 August 2026. The completions took place simultaneously, with aggregate maximum gross proceeds and aggregate maximum net proceeds (after deducting commission and other relevant costs and expenses) of HK$33,000,000 and approximately HK$32,570,000, respectively. The Company intends to apply the aggregate net proceeds from the subscriptions toward the development of its AI robots segment in the following manners: (i) as to approximately 30.7% for the manufacturing and production of AI robots; (ii) as to approximately 24.6% for the technical research and development, and ongoing product iteration of the segment; (iii) as to approximately 24.6% for the relevant sales and marketing, as well as commercialisation of products; and (iv) the remaining balance of approximately 20.1% for the general working capital purposes of the segment, including but not limited to operational human resources and general administrative expenses. Details thereof are set out in the Company's announcement dated 24 July 2026, and all the conditions precedent as set out in the Subscription Agreements have been fulfilled in accordance with the respective terms thereof, and completions took place on 18 September 2026.



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Wu Zhanming, aged 62, the Chairman, an Executive Director and a director of certain subsidiaries of the Company. Mr. Wu Zhanming joined the Group in August 2019. Mr. Wu Zhanming currently serves as the chairman of the board of directors of Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司) and Hong Kong Green Dynasty International Co Limited (香港大朝國際有限公司). Mr. Wu Zhanming is the founder of multiple companies, including Jiangsu Investment Network Development Co., Ltd.* (江蘇投資網發展有限公司), Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司) and Hong Kong Green Dynasty International Co Limited (香港大朝國際有限公司). He has extensive experience in investment and has participated in multiple investment projects involving a diverse set of industries, such as artificial intelligence, innovative technologies, health care, real estate and consumer services.

Mr. Wang Chunsheng ("**Mr. Wang**"), aged 40, an Executive Director and chief executive officer ("CEO") of the Group. He joined the Group in May 2024 and acting as CEO of Novautek Autonomous Driving Limited ("Novautek Autonomous Driving") and Shenzhen Novautek Technologies Co., Ltd* (深圳諾科達科技有限公司), the subsidiaries of the Company, and appointed as an Executive Director and CEO of the Group on 3 March 2026, primarily responsible for AI robotic business and daily operation management of the Group. Mr. Wang was awarded a master's degree by Jilin University in July 2014, with a primary research focus on automotive intelligence and new energy vehicles. Mr. Wang served as the product manager at FAW-Volkswagen Automotive Co., Ltd* (一汽一大眾汽車有限公司) from 2014 to 2018. From 2018 to 2022, he held the position of general manager at UISEE Technologies (Shenzhen) Co., Ltd.* (馭勢科技(深圳)有限公司). From 2022 to May 2024, he further served at Baidu (Hong Kong) Limited and as the general manager of Apollo in Hong Kong. Mr. Wang has over 10 years of experience in product development, project management and commercialization in the fields of automotive intelligence and AI robotics. He has led the implementation of multiple autonomous driving projects both domestically and internationally. Among them, the I-SOS invention patent represents the first safety redundancy application technology for unmanned logistics; the AET application, the first unmanned logistics product in the world, received the second prize of the Beijing Science and Technology Progress Award; and the "ACL Aerospace Corridor," the first public automated transport system in Hong Kong, stands as a significant milestone in the development of autonomous driving in Hong Kong.



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Pengzhi ("**Mr. Jiang**"), aged 48, an Independent Non-executive Director. He joined the Group in September 2024. Mr. Jiang obtained a bachelor's degree in engineering, majoring in communication engineering, from Chongqing Posts and Telecommunications College* (重慶郵電學院) (now known as Chongqing University of Posts and Telecommunications* (重慶郵電大學)) in the PRC in July 1999. Mr. Jiang has over 20 years of managerial experience in data and internet industry. He joined the subsidiaries of China Unicom (Hong Kong) Limited (a company listed on the Stock Exchange, stock code: 762) since 1999 and successively worked as a deputy general manager of the Network Department, Product Department, and Mobile Business Department from April 2013 to October 2020. Since June 2022, Mr. Jiang has been served as a general manager of Hong Kong of EDPI (HK) Limited.

Mr. Yang Ye ("**Mr. Yang**"), aged 46, an Independent Non-executive Director. He joined the Group in September 2024. Mr. Yang obtained a bachelor's degree in law from Nanjing University in the PRC in June 2005 and a master's degree in business administration from China Europe International Business School in the PRC in November 2016. He obtained the legal professional qualification certificate granted by the Ministry of Justice of the PRC in February 2007. Mr. Yang worked as a paralegal of JC Master Law Office* (江蘇泰和律師事務所) from July 2005 to November 2006. During the period from March 2011 to December 2016, Mr. Yang served multiple managerial roles in several asset management companies, including a deputy general manager of Shanghai Rungao Equity Investment Management Co., Ltd.* (上海潤高股權投資管理有限公司) and a general manager of Asset Management Department at J.K. Life Insurance Co., Ltd.* (君康人壽保險股份有限公司). Since September 2017, Mr. Yang has been served as a managing partner at Shanghai Fengling Enterprise Management Partnership (General Partnership)* (上海豐靈企業管理合夥企業 (普通合夥)).

Ms. Tsang Fung Chu *JP* ("**Ms. Tsang**"), aged 58, an Independent Non-executive Director. She joined the Group in December 2024. Ms. Tsang is a practising certified public accountant in Hong Kong and a fellow member of the Association of Chartered Certified Accountants. She holds a Bachelor of Social Sciences degree from the University of Hong Kong and has extensive experience in the financial and accounting fields. She has been in the accounting profession for over 30 years and began her career in the audit department of an international audit and accounting firm. She has also served as a member of the All-China Youth Federation and the Beijing Youth Federation of the People's Republic of China. In addition, Ms. Tsang has been appointed by the Hong Kong SAR Government to various public offices, and was elected as a member of the Sixth Election Committee of the HKSAR and was appointed as Justice of the Peace (JP) in 2021. She has been an executive Director of Bingo Group Holdings Limited (a company listed on the Stock Exchange, stock code: 8220) since July 2024.



SENIOR MANAGEMENT

Ms. Luk Shan ("**Ms. Luk**"), aged 41, the chief financial officer, company secretary and a director of several subsidiaries of the Company. Ms. Luk joined the Group in September 2019, since then, she has been fully responsible for the Group's financial management, listing compliance and capital-market activities. Ms. Luk is a member of the Hong Kong Institute of Certified Public Accountants. She obtained her Bachelor of Business Administration (Honours) in Accounting from Hong Kong Baptist University. After graduation, Ms. Luk worked in an international accounting firm for over 4 years. Prior to joining the Group, Ms. Luk worked as the senior finance manager of a company listed on the Main Board of the Stock Exchange. Ms. Luk has over 15 years of experience in auditing, accounting and financial reporting. Her expertise aligns precisely with the financial requirements of the Group's business, providing solid financial support, from funding assurance and cost control to compliant operations, for the Group's business development, especially in its robotics business.

Mr. Li Pengfei ("**Mr. Li**"), aged 39, the Group's vice president, chief investment officer and a director of several subsidiaries. He joined the Group in January 2021 and is primarily responsible for the Group's financial investments, collaborative ecosystem and technological development. He is also a director of the Group's subsidiary, Novautek Autonomous Driving, where he is responsible for the technology product ecosystem, strategic development, as well as investment and financing segments. Mr. Li graduated from the University of Brighton in the United Kingdom with a master's degree in Finance and Investment. Mr. Li served as an investment manager at Fosun Group from 2013 to 2015. He served as an assistant president at Lighter Capital from 2015 to 2017. From 2018 to 2024, he served as investment director at Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理 (上海) 有限公司). Mr. Li has extensive experience in mergers and acquisitions, strategic investments and financial investments across multiple industries. He has played a pivotal role in construction of collaborative ecosystems and has led investments in multiple leading companies in the technology sector, covering fields such as hard technology, artificial intelligence, new materials, consumption and finance.

Mr. Chiu Kit Man, Calvin ("**Mr. Chiu**"), aged 49, joined the Group in September 2016. He served as an Independent Non-executive Director of the Company from September 2016 to May 2023. Subsequently, since June 2023, he has been the chief operating officer of the subsidiary of the Group, Novautek Autonomous Driving, primarily responsible for the sales and operations of the robotic business in Hong Kong and overseas markets, as well as negotiating partnerships with government and commercial entities. Also, he has been the Group's vice president since 2026. Mr. Chiu holds a Bachelor of Business Administration degree from the Indiana University at Bloomington in the United States of America. He was selected as one of the Ten Outstanding Young Persons in 2011 and served as the chairman of The Outstanding Young Persons' Association in 2019. He is also the founder and chairman of The Against Elderly Abuse of Hong Kong, a government-recognised charitable organisation. Mr. Chiu has extensive experience in customer-relationship management and big data. As a specialist in smart city and AI robotics solutions, a young entrepreneur and an enterpriser, he has been deeply involved in the development of AI sector and related policy advocacy for over 8 years. He is also frequently invited to deliver guest lectures and to contribute articles for newspapers and journals, sharing insights on AI and robotics with business audiences, government agencies and a variety of tertiary institutions. Committed to giving back to society, Mr. Chiu actively serves on a number of public and business organisations. In addition to being a standing committee member of the Chinese People's Political Consultative Conference of Doumen District in Zhuhai, he has also been appointed by the Hong Kong SAR Government as a member of various committees. Mr. Chiu currently serves as the president of Doumen Clan's Association and founding vice-president of the Hong Kong O2O Ecommerce Federation.



Mr. Wu Tao, aged 57, the Group's vice president and a director of the subsidiaries. He was appointed as a Non-executive Director on 21 August 2019, re-designated as an Executive Director on 3 May 2022 and re-designated as a vice president of the Group on March 2026. Mr. Wu Tao currently serves as a partner in Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司). Mr. Wu Tao was awarded an executive master's degree in business administration from the School of Management of Fudan University in January 2009. He further obtained a degree of doctor of business administration from the United Business Institutes in Belgium in June 2011. Mr. Wu Tao has more than 20 years of experience in the financial sector. From January 1999 to December 2004, he worked at Langran Holding Limited Jiangsu Branch* (朗潤控股有限公司江蘇分公司). From January 2005 to April 2009, he served as the vice chief executive officer of Jiangsu Sheng's International Investment Group Limited* (江蘇盛氏國際投資集團有限公司). From May 2009 to February 2015, Mr. Wu Tao worked at Shengqu Information Technology (Shanghai) Co. Limited* (盛趣信息技術(上海)有限公司), an affiliate of Shanghai ShengDa Networking Development Co., Ltd* (上海盛大網絡發展有限公司)and his last position was fund manager.

Mr. Huang TianWu ("**Mr. Huang**"), aged 48, as the Group's vice president. He joined the Group in December 2020 and is primarily responsible for the Company's project development, construction and operational management. Prior to joining the Group, Mr. Huang has almost 30 years of experience in project development and construction, and business management. He has held management positions in prominent companies like Sinograin Jiangsu Branch* (中儲糧江蘇省分公司)and Nanjing Dingjian Biotechnology Co., Ltd.* (頂健生物科技南京公司), accumulating extensive experience in corporate management and team leadership.

Mr. Fan GuangYi ("**Mr. Fan**"), aged 40, joined the Group in April 2025. He serves as vice president of the Group, primarily responsible for sale of the Group's robotic business in Chinese Mainland and oversea. Prior to joining the Group, Mr. Fan has over 17 years of professional experience across the aerospace, wind power and new energy, transmission and automation control systems and other industries. He has held management positions in technology, project management, marketing and global marketing at several prominent listed companies, including Sany Group, NGC Group, and Aerosun Group. Mr. Fan holds a Bachelor of Engineering degree from Harbin Institute of Technology and obtained a Master of Business Administration degree from Southeast University in 2023. He is a member of the Expert Committee of the Shanghai AI Embodied Intelligence Hundred – Talent Pool and Executive member of the HIT Jiangsu Alumni Association. He serves as a part-time supervisor at Nanjing Agricultural University and an adjunct faculty member at Guilin University of Aerospace Technology, and possesses a Professional Project Management Certificate in Global Project Management Professional issued by the International Project Management Association.



DIRECTORS' REPORT

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Company for FY2026.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company. The Group is principally engaged in (i) AI robots; (ii) property development; (iii) property investment; and (iv) investment holding. Details of the principal activities of the principal subsidiaries are set out in note 33(a) to the consolidated financial statements.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing by the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of likely future developments in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections set out on pages 3 to 19 of this annual report. Further discussion on the Company's environmental policies and performance, and the discussion on the relationship between the Company and its employees, customers and suppliers are set out under the "Environmental, Social and Governance Report" in this annual report. These discussions form a part of this directors' report.

RESULTS

The results of the Group for FY2026 are set out in the consolidated statement of comprehensive income on page 103 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for FY2026 *(FY2025: Nil)*. The Company is not aware of any arrangements under which any Shareholder has waived or agreed to waive any dividends.

TAX RELIEF AND EXEMPTION

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

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 111 of this annual report. This summary does not form a part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during FY2026 are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during FY2026 are set out in note 14 to the consolidated financial statements. Details of the investment properties of the Group as at 30 June 2026 are set out on page 182 of this annual report.

SHARE CAPITAL

Details of movements in the Company's share capital during FY2026 are set out in note 27 to the consolidated financial statements.



DEBENTURE ISSUED

The Company did not issue any debenture during FY2026.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the Companies Act 1981 of Bermuda which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during FY2026. The Company did not hold any treasury shares as of 30 June 2026.

RESERVES

Details of movements in the reserves of the Company and the Group during FY2026 are set out in note 33(b) to the consolidated financial statements and in the consolidated statement of changes in equity on pages 107 to 108 of this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2026, the Company had reserves (including capital reserve and accumulated losses) totaling approximately HK$Nil *(2025: HK$44,388,000)* available for distribution to the Shareholders.

BANK LOANS AND OTHER BORROWINGS

Details of movements in the bank loans and other borrowings of the Group during FY2026 are set out in note 25 to the consolidated financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

During FY2026, purchases from the Group's five largest suppliers and the largest supplier were 63% and 17% arising from the AI robots segment, respectively. During FY2026, the aggregate revenue attributable to the five largest customers and the largest customer were 32% and 11% of the Group's revenue, respectively. The major customers are independent third parties of the Company during FY2026.

To the knowledge of the Directors, none of the Directors, their associates nor any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of issued Shares) had any beneficial interest in the Group's five largest suppliers or five largest customers during FY2026.

DIRECTORS

The Directors during FY2026 and up to the date of this annual report were:

EXECUTIVE DIRECTORS:

Mr. Wu Zhanming *(Chairman) (resigned as Chief Executive Officer on 3 March 2026)*
Mr. Wang Chunsheng *(Chief Executive Officer) (appointed on 3 March 2026)*
Mr. Wu Tao *(resigned on 3 March 2026)*



DIRECTORS' REPORT

NON-EXECUTIVE DIRECTOR:

Dr. Chan Kin Keung Eugene *SBS, BBS, JP (retired on 17 December 2025)*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Jiang Pengzhi
Mr. Yang Ye
Ms. Tsang Fung Chu *JP*

Dr. Chan Kin Keung Eugene *SBS, BBS, JP* ("Dr. Chan") has retired as a non-executive Director with effect from 17 December 2025 as he requires more time to pursue his personal affairs and other business engagement. Dr. Chan confirmed that he has no disagreement with the Board and there is no matter in respect of his retirement that needs to be brought to the attention of the Shareholders or the Stock Exchange.

Mr. Wu Tao has resigned as an executive Director with effect from 3 March 2026 as he would like to devote more time to the operation and development of the subsidiaries of the Group. Mr. Wu Tao has confirmed that he has no disagreement with the Board and he is not aware of any matters in respect of his resignation that need to be brought to the attention of the Shareholders.

Mr. Wu Zhanming has resigned as the chief executive officer ("CEO") of the Company with effect from 3 March 2026 in order to focus on development strategies of the Group. Mr. Wu Zhanming continues to be the Chairman of the Board and an executive Director after his resignation as CEO. Mr. Wu Zhanming has confirmed that he has no disagreement with the Board, and there is no matter in relation to his resignation as CEO that needs to be brought to the attention of the Shareholders and Stock Exchange.

Mr. Wang Chunsheng ("Mr. Wang") have been appointed as executive Director and CEO with effect from 3 March 2026. Before his appointment became effective, on 3 March 2026, he had obtained the legal advice from a firm of solicitors qualified to advise on Hong Kong law referred to in Rule 3.09D of the Listing Rules and had confirmed that he understood his obligations as the Director, the requirements under the Listing Rules that are applicable to him as the Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

In accordance with Bye-law 87(1) of the Bye-laws, Mr. Jiang Pengzhi and Mr. Yang Ye, being eligible, offer themselves for re-election.

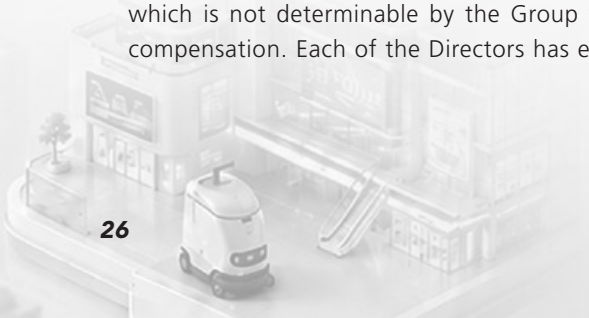
In accordance with Bye-law 86(2) of the Bye-laws, Mr. Wang Chunsheng will hold office until the forthcoming AGM and, being eligible, offer himself for re-election.

PERMITTED INDEMNITY PROVISIONS

During FY2026 and up to the date of this annual report, the Company has maintained directors' and officers' liability insurance coverage for the Directors and officers of the Company to provide protection against claims arising from lawful discharge of duties by the Directors and officers.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming AGM has a service contract with the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation. Each of the Directors has entered into a service agreement for a term of two or three years.



DIRECTORS' REMUNERATION

Details of the Directors' remuneration for FY2026 are set out in note 11(a) to the consolidated financial statements.

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

There is no other updated information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during FY2026.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2026, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register to be kept by the Company pursuant to Section 352 of the SFO were as follows:

LONG POSITION IN THE SHARES OF THE COMPANY

Name of Directors	Capacity and nature of interest	Number of issued Shares held	Approximate percentage of the total number of issued Shares
Mr. Wu Zhanming	Beneficial owner	279,935,000	9.16%
	Interest in a controlled corporation [(1)]	550,000,000	18.00%
Mr. Wang Chunsheng	Beneficial owner	180,000	0.005%
		830,115,000	27.165%

Note:

(1) As at 30 June 2026, Ruixing Investments Limited is wholly owned by Mr. Wu Zhanming, and therefore he is deemed to be interested in 550,000,000 Shares directly held by Ruixing Investments Limited.

Save as disclosed above, as at 30 June 2026, none of the Directors nor chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register to be kept by the Company pursuant to Section 352 of the SFO.



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 June 2026 or at any time during FY2026, none of the Company or any of its subsidiaries was a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any rights to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

To the best knowledge of the Directors, as at 30 June 2026, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity and nature of interest	Number of issued Shares held	Approximate percentage of the total number of issued Shares
Ruixing Investments Limited	Beneficial owner	550,000,000	18.00%
Ms. Li Fuyi	Beneficial owner	279,930,959	9.16%

Save as disclosed above, as at 30 June 2026, the Directors and chief executive of the Company were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in any Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS

During FY2026, the Company has strictly complied with the requirements specified under Chapter 14A of the Listing Rules in respect of its connected transactions. Details of the relevant connected transactions are set out in the section headed "Use of Proceeds from the Subscription" in this annual report.

Save as disclosed above, during FY2026, the Company had no other connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions for the disclosure of connected transactions under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in note 32 to the consolidated financial statements and all of them fall under the scope of connected transactions under Chapter 14A of the Listing Rules but are exempted from reporting, annual review, announcement or independent shareholders' approval requirements.



DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" and the related party transactions in note 32 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had, directly or indirectly, a material interest, subsisted at the end of FY2026 or at any time during FY2026.

REMUNERATION POLICY

The Group remunerates its employees based on their competence, performance, experience and prevailing market terms. Other employee benefits include provident fund scheme, medical insurance, subsidised training programme as well as discretionary bonuses.

The determination of Directors' remuneration has taken into consideration their respective responsibilities and contributions to the Company and with reference to market terms.

RETIREMENT BENEFIT SCHEMES

With effect from 1 December 2000, the Group has enrolled all its qualifying employees employed in Hong Kong into a mandatory provident fund scheme (the "MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance.

In accordance with rules and regulations in the PRC, the employees of the Group's entities established in the PRC are required to participate in defined contribution retirement plans organised by the local government.

Details of the retirement benefits schemes of the Company are set out in note 34 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or any of their respective associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group during FY2026 and up to the date of this annual report.

EQUITY-LINKED AGREEMENTS

There were no equity-linked agreements entered into by the Group or existed during FY2026.

MANAGEMENT CONTRACTS

The Company had not entered into any contracts in respect of the management or administration of the whole or any substantial part of the business of the Company during FY2026.

SUFFICIENCY OF PUBLIC FLOAT

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



DONATIONS

Charitable donations made by the Group during FY2026 amounted to HK$10,000 *(2025: HK$10,000)*.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in all material aspects with relevant laws and regulations that have a significant impact on the business and operation of the Group. During FY2026, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

AUDIT COMMITTEE

The audited consolidated financial statements of the Company for FY2026 and this annual report have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

AUDITOR

The consolidated financial statements of the Company for FY2026 have been audited by Forvis Mazars CPA Limited, Certified Public Accountants. A resolution will be proposed at the forthcoming AGM to re-appoint Forvis Mazars CPA Limited as the auditor of the Company.

The Company's auditor has not been changed for the past three years.

EVENTS AFTER THE REPORTING PERIOD

On 24 July 2026, the Company entered into subscription agreements with four subscribers for the issue of convertible bonds with an aggregate principal amount of HK$33,000,000. The convertible bonds bear interest at approximately 6% per annum, mature 24 months from the date of issue and are convertible into ordinary shares of the Company at an initial conversion price of HK$0.18 per conversion share.

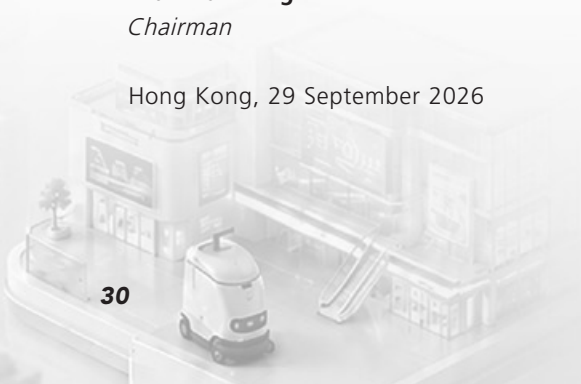
On 18 September 2026, all conditions precedent as set out in the subscription agreements were fulfilled and the Company completed the issuance of convertible bonds to the subscribers in the aggregate principal amount of HK$33,000,000.

Details of the above issuance of convertible bonds are set out in note 36 to the consolidated financial statements and the section headed "COMPLETION OF THE ISSUANCE OF CONVERTIBLE BONDS WITH AN AGGREGATE PRINCIPAL AMOUNT OF HK$33,000,000"on page 19 of this annual report.

On behalf of the Board

Wu Zhanming
Chairman

Hong Kong, 29 September 2026



The Board is committed to maintaining high standards of corporate governance practices at all times. The Board believes that good corporate governance helps the Company to safeguard the interests of the Shareholders and to enhance the performance of the Group. The Company has adopted the CG Code as its own code of corporate governance.

CORPORATE GOVERNANCE

The Company complied with all the applicable code provisions (the "Code Provision(s)") of the CG Code throughout FY2026, except that it deviated from Code Provision C.2.1 of the CG Code during the period from 1 July 2025 to 2 March 2026. Details of the deviation with reason are set out in the section headed "Chairman and Chief Executive Officer" on page 31 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under Code Provision C.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The chief executive officer of the Company (the "CEO") is responsible for day-to-day management of the business of the Group, whilst the Chairman provides leadership for the Board to ensure that the Board acts diligently and in the best interests of the Group, and that meetings are planned and conducted effectively. The Chairman is also responsible for approving the agenda for each Board meeting, taking into account, where appropriate, matters proposed by the Directors. The Chairman also actively encourages the Directors to make full contributions and actively participate in the Board's affairs. It is also the responsibility of the Chairman to ensure that good corporate governance practices and procedures are established.

From 1 July 2025 to 2 March 2026, Mr. Wu Zhanming was the Chairman and acting CEO. With effect from 3 March 2026, Mr. Wu Zhanming has resigned from his position as CEO of the Group, and Mr. Wang Chunsheng, the newly-appointed executive Director, has taken up the role of CEO. As such, the positions of the Chairman and CEO of the Group are no longer held by the same individual, which complies with Code Provision C.2.1 of the Corporate Governance Code. The Board will review the current structure from time to time and shall make necessary changes when appropriate and inform the Shareholders accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code during FY2026.

VALUES AND CULTURE

The Company strives to foster a corporate culture centred on inclusion, safety and respect, creating an equal and diverse global workplace. As a Hong Kong-listed multinational enterprise focusing on AI and intelligent robotics, the Group upholds a global vision while pursuing in-depth localisation. Through cultural integration and gender diversity, we enhance corporate governance standards and drive technological advancement and business innovation for our AI and intelligent robotics businesses.

The Group embraces diversity across multiple dimensions including nationality, professional background and gender. It attaches importance to gender balance in talent recruitment and management-team formation, bringing together talents from R&D, engineering implementation, marketing and operation sectors to improve decision-making quality via diverse perspectives. Under global talent strategy, the Group attracts outstanding professionals worldwide, and respects and integrates with local cultures, balancing global standards and regional requirements to empower the Group's AI and intelligent robotics products for adaptation to diverse global markets.



The Group encourages cross-cultural communication and collaboration, leveraging cultural differences to inspire innovative thinking. Combined with R&D in AI and intelligent robotics, the Company improves the practical adaptability of technical solutions. The Company also offers employees diversified career-development pathways, including cross-border rotations, participation in international projects and specialised professional training programmes, enabling staff to engage in cutting-edge initiatives such as AI algorithm research and full-scale intelligent-robot development.

The Group places the highest priority on safety in production operations and workplace environments, with particular emphasis on operational safety for the R&D, testing and manufacturing of intelligent robots. The Company ensures all employees can fully realise their potential within a secure and inclusive working atmosphere.

Accordingly, the Group formulates and implements policies relating to diversity and inclusion, cultural integration and workplace safety. The Board of Directors and management adhere to operating principles of compliance, business ethics and accountability. Regular corporate-culture training and new-hire onboarding programmes reinforce the Company's inclusive culture and global mindset, motivating diverse talent to pursue innovation in AI and intelligent robotics.

These initiatives have effectively strengthened employees' sense of belonging and improved talent retention. The employees deliver sustained impetus for the Group's global competitiveness and sustainable development, supporting the Company continued progress in the AI and intelligent robotics sector.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company. The Board reviews and approves the business objectives, strategies, direction and policies of the Group, the annual budget, annual and interim results, the management structure of the Company as well as other significant policy and financial matters. The Board has delegated the responsibility of day-to-day operations of the Group to the management of the Company.

BOARD PERFORMANCE EVALUATION

There is a strong independent element on the Board which can effectively exercise independent judgement. The Company has internally conducted a Board performance evaluation for the year ended 30 June 2026 in line with the Stock Exchange guidance. The Company aimed to solicit views from all Directors on the performance and effectiveness of the Board by means of a questionnaire, which aimed to assess the Board and Board Committees effectiveness by key scopes covering the Board composition and skills, Board culture and dynamics, Board practices, quality and timeliness of information to the Board, compliance and training, risk management and internal controls, and stakeholders engagement.

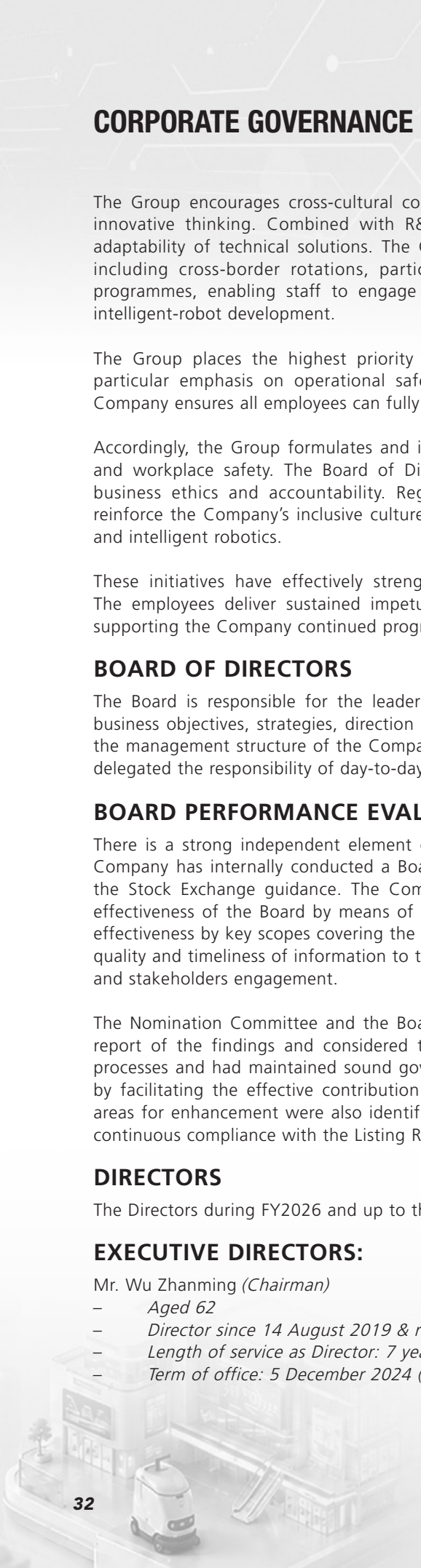
The Nomination Committee and the Board reviewed the response to the questionnaire together with a summary report of the findings and considered the Board performance evaluation results, and were satisfied with good processes and had maintained sound governance and control. A culture of openness and debate is well promoted by facilitating the effective contribution of INEDs and the constructive relations between ED and INEDs. Certain areas for enhancement were also identified, including the composition and gender diversity of the Board ensuring continuous compliance with the Listing Rules when identifying suitable candidates.

DIRECTORS

The Directors during FY2026 and up to the date of this annual report were:

EXECUTIVE DIRECTORS:

Mr. Wu Zhanming *(Chairman)*
- *Aged 62*
- *Director since 14 August 2019 & resigned as CEO on 3 March 2026*
- *Length of service as Director: 7 years 1 month*
- *Term of office: 5 December 2024 (re-elected) to 2027 AGM*



Mr. Wang Chunsheng *(CEO) (appointed on 3 March 2026)*
- *Aged 40*
- *Director since 3 March 2026 & appointed as CEO on 3 March 2026*
- *Length of service as Director: 6 months*
- *Term of office: 3 March 2026 (appointed) to 2026 AGM*[1]

Mr. Wu Tao *(resigned on 3 March 2026)*
- *Aged 56*
- *Director since 14 August 2019 & resigned on 3 March 2026*
- *Length of service as Director: 6 years 7 months*
- *Term of office: Not applicable*[2]

NON-EXECUTIVE DIRECTOR:

Dr. Chan Kin Keung Eugene *SBS, BBS, JP (retired on 17 December 2025)*
- *Aged 62*
- *Director since 29 June 2023 & retired on 17 December 2025*
- *Length of service as Director: 2 years 6 months*
- *Term of office: Not applicable*[2]

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Jiang Pengzhi
- *Aged 48*
- *Director since 13 September 2024*
- *Length of service as Director: 2 years*
- *Term of office: 5 December 2024 (re-elected) to 2026 AGM*

Mr. Yang Ye
- *Aged 46*
- *Director since 13 September 2024*
- *Length of service as Director: 2 years*
- *Term of office: 5 December 2024 (re-elected) to 2026 AGM*

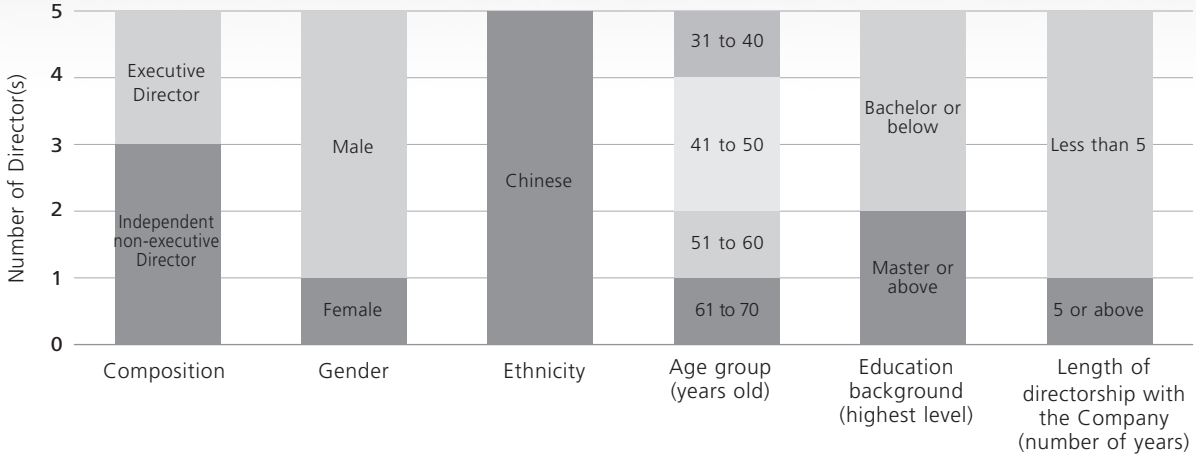
Ms. Tsang Fung Chu *JP*
- *Aged 58*
- *Director since 30 December 2024*
- *Length of service as Director: 1 year 9 months*
- *Term of office: 17 December 2025 (re-elected) to 2027 AGM*

1. In accordance with bye law 86(2) of the Bye-laws, Mr. Wang will hold office until the forthcoming AGM and, being eligible, offer himself for re-election.

2. The Director who resigned/retired during the year of 2026.



The Board has an appropriate mix of skills, experience and diversity which are relevant to the Company's strategy, governance and business, and independent leadership, which contributes to its efficiency and effectiveness. The Board's composition under diversified perspectives is summarised as follows:



DIRECTORS' SKILLS AND EXPERIENCE

The Board demonstrates an appropriate mix of skills and expertise which is relevant to the Company's strategy, governance and business and enables the Board to effectively discharge its duties and responsibilities in attaining the Company's strategic objectives and achieving its sustainable development, particularly in terms of (i) overseeing implementation of the Company's strategic objectives; (ii) promoting sustainability across its business; (iii) overseeing implementation of robust risk management and internal controls systems as a listed company; and (iv) promoting a positive culture across the Group for the purpose of long-term performance.

The table below demonstrates the diverse skills and expertise of the Directors:

Directors	Directorship with other listed company(ies)/ senior executive experience	Accounting professionals/ corporate finance expertise	Legal professionals/ regulatory and compliance/risk management	Digital/ technology investment expertise
Wu Zhanming *(Chairman)*	✓			✓
Wang Chunsheng *(CEO)*	✓			✓
Jiang Pengzhi	✓			✓
Yang Ye	✓	✓	✓	✓
Tsang Fung Chu *JP*	✓	✓	✓	✓
Coverage (% of entire Board)	**100%**	**40%**	**40%**	**100%**

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 independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules. Biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" on pages 20 to 23 of this annual report.

Save as disclosed in this annual report, there is no other financial, business, family or other material/relevant relationship among members of the Board.

Mr. Wang Chunsheng ("Mr. Wang") has been appointed as executive Director with effect from 3 March 2026. Before his appointment became effective, on 3 March 2026, he had obtained the legal advice from a firm of solicitors qualified to advise on Hong Kong law referred to in Rule 3.09D of the Listing Rules and had confirmed that he understood his obligations as the Director, the requirements under the Listing Rules that are applicable to him as the Director and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

The Company will provide a comprehensive, formal and tailored induction to each newly appointed Director on his/her first appointment in order to enable him/her to have an appropriate understanding of the business and operations of the Company and that he/she is fully aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

All Directors are encouraged to participate in continuous professional development ("CPD") to develop and refresh their knowledge and skills. Directors are continuously updated on developments in the relevant statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. The Company has provided timely technical updates, including the briefing on the amendments to the Listing Rules published by the Stock Exchange to the Directors. Continuing briefing and professional development for Directors are arranged where necessary.

During FY2026, all current Directors developed their knowledge and skills through (1) conducting focused discussions on issues relating to the business and operations of the Company at meetings; and (2) researching, reading and studying relevant regulations and standards in order to strengthen the related skills and knowledge relevant for their respective roles. Each of the current Directors confirmed that he/she has participated in CPD as required by Listing Rules 3.09F, 3.09G and 3.09H during FY2026, and the table below summarises the participation of each of the Directors in CPD during FY2026:

Name of Directors	Board and Directors' duties (hour(s))	Listing Rules and Hong Kong law compliance (hour(s))	Corporate governance and ESG (hour(s))	Risk management and internal controls (hour(s))	Industry and business updates (hour(s))	Total no. of training hours (hour(s))
Mr. Wu Zhanming *(Chairman)*	1 B	2 B, D	1 B, D	3.5 A, B	2 B, C	9.5
Mr. Wang Chunsheng *(CEO)*[1]	2 A, B, C, D	2 B, D	1 B, D	3.5 A, B	9 B, C, D	17.5
Mr. Jiang Pengzhi	1 B	2 B, D	1 B, D	3.5 A, B	2 B, C	9.5
Mr. Yang Ye	1 B	2 B, D	1 B, D	3.5 A, B	2 B, C	9.5
Ms. Tsang Fung Chu *JP*[2]	1 B	2 B, D	1 B, D	3.5 A, B	2 B, C	9.5[4]
Dr. Chan Kin Keung *SBS, BBS, JP*[3] *(retired on 17 December 2025)*	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Wu Tao *(resigned on 3 March 2026)*	N/A	N/A	1 B, D	1 A, B	2 B, C	4

Modes of CPD:

A: Attending as participant at briefings, workshops, seminars and conferences organized by external bodies, including the Independent Commission Against Corruption

B: Attending as participant at internal trainings

C: Conducting focused discussions on issues relating to the business and operations of the Company at meetings

D: Researching, reading and studying relevant regulations and standards

1. Newly appointed first-time director who is subject to the requirement under Listing Rule 3.09H (complete no less than 24 hours of CPD within 18 months of the date of their appointment). The remaining training hours to be completed in the next financial year by Mr. Wang Chunsheng, who has been appointed as executive Director with effect from 3 March 2026, is 6.5 hours.

2. During FY2026, Ms. Tsang Fung Chu *JP* had more than 72 hours CPD for her professional areas.

3. As the CPD were conducted during the second half of FY2026, Dr. Chan Kin Keung *SBS, BBS, JP*, who retired as Non-Executive Director on 17 December 2025, had not participated in any CPD during FY2026.

4. Excluding her personal CPD provided by external institutions.

Each newly appointed Director is provided with necessary induction on appointment to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under the relevant statutes, laws, rules and regulations.

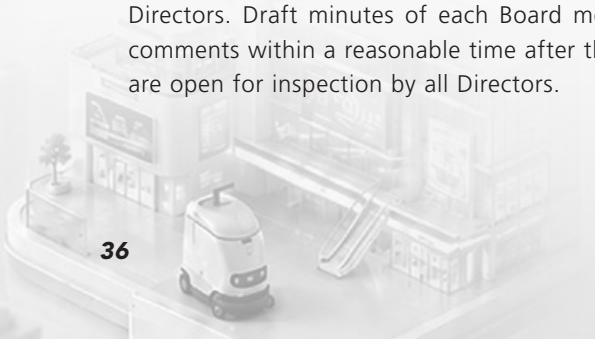
To support the Directors in discharging their duties, regular updates on the Company's performance, position and prospects are provided to the Board.

BOARD MEETINGS

The Company adopts the practices of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of no less than fourteen days (or shorter notice period as agreed by the Directors) are given for all regular Board meetings to provide all Directors with an opportunity to attend and discuss matters in the agenda for a regular meeting.

For other Board meetings and Board committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying Board papers are dispatched to the Directors or Board committee members at least three days before the Board meetings or Board committee meetings to ensure that the Directors have sufficient time to review the relevant papers and are adequately prepared for the Board meetings or Board committee meetings. When Directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the company secretary of the Company.

Minutes of the Board meetings and Board committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board committee meeting are sent to the Directors for their comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by all Directors.



During FY2026, a total of 4 Board meetings and 1 general meeting were held and the attendance of each Director is set out as follows:

	Number of attendance	
	Board meetings	**General meeting**
Executive Directors		
Mr. Wu Zhanming *(Chairman)*	4/4	1/1
Mr. Wang Chunsheng *(CEO) (appointed on 3 March 2026)*	1/1	0/0
Mr. Wu Tao *(resigned on 3 March 2026)*	3/3	1/1
Non-executive Director		
Dr. Chan Kin Keung Eugene *SBS, BBS, JP (retired on 17 December 2025)*	1/1	1/1
Independent Non-executive Directors		
Mr. Jiang Pengzhi	4/4	1/1
Mr. Yang Ye	4/4	1/1
Ms. Tsang Fung Chu *JP*	4/4	1/1

INDEPENDENT NON-EXECUTIVE DIRECTORS

All non-executive Directors (including independent non-executive Directors) are appointed for a fixed term of three years and are subject to retirement by rotation in accordance with the Bye-laws.

The independent non-executive Directors play a significant role on the Board as they bring an impartial view of the Group's strategies, performance and control, as well as ensure that the interests of all Shareholders are considered. All independent non-executive Directors possess appropriate academic, professional qualifications or related financial management experience.

None of the independent non-executive Directors held any other offices in the Company or any of its subsidiaries or is interested in any Shares.

The Company has adopted the Board independence assessment mechanism (the "Board Independence Assessment Mechanism"). The Board Independence Assessment Mechanism aims to ensure that the Board has strong independent elements, so that the Board can effectively make independent judgments and better protect the interests of the Shareholders.

In order to ensure that independent views and input of the independent non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assessing the independence of the independent non-executive Directors annually with regard to all relevant factors involving the following:

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;



- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

In addition, according to the Board Independence Assessment Mechanism, Directors are allowed to seek independent professional advice when performing their duties and are encouraged to independently contact and consult the senior management of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Remuneration Committee comprises three members, including two independent non-executive Directors, namely Mr. Yang Ye and Ms. Tsang Fung Chu *JP*, and one executive Director, namely Mr. Wu Zhanming. Mr. Yang Ye is the chairman of the Remuneration Committee.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration; determining the remuneration packages of individual executive Directors and senior management; and making recommendations to the Board on the remuneration of non-executive Directors. The full terms of reference are available on the Company's website and the Stock Exchange's website.

The Remuneration Committee met 2 times during FY2026 to review the remuneration of the Directors. The attendance of each member is set out as follows:

Members	Number of attendance
Mr. Yang Ye	2/2
Mr. Wu Zhanming	2/2
Ms. Tsang Fung Chu *JP*	2/2

DIRECTORS' REMUNERATION POLICY

The Directors' remuneration policy comprises primarily a fixed component (in the form of a base salary) and a variable component (which includes discretionary bonus and other merit payments), considering other factors such as their experience, level of responsibility, individual performance, the profit performance of the Group and with reference to market terms.

The Remuneration Committee will meet at least once each year to discuss remuneration-related matters (including the remuneration of the Directors and the senior management and assessing the performance of the Directors) and review the remuneration policy of the Group. It has been decided that the Remuneration Committee would determine, with delegated responsibility, the remuneration packages of individual executive Directors and the senior management.



REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the remuneration of the Directors and the five highest paid individuals for FY2026 are set out in note 11 to the consolidated financial statements. Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographies of Directors and Senior Management" in this annual report for FY2026 by band is set out below:

Remuneration band	Number of individual
Nil to HK$1,000,000	3
HK$1,000,001 to HK$1,500,000	3

NOMINATION COMMITTEE

The Nomination Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Nomination Committee comprises three members, including two independent non-executive Directors, namely Mr. Jiang Pengzhi and Ms. Tsang Fung Chu *JP*, and one executive Director, namely Mr. Wu Zhanming. Mr. Wu Zhanming is the chairman of the Nomination Committee.

The Nomination Committee is mainly responsible for making recommendations to the Board on the appointment of Directors, evaluation of Board composition, assessment of the independence of the independent non-executive Directors and the management of Board succession. The full terms of reference are available on the Company's website and the Stock Exchange's website.

The Nomination Committee met 2 times during FY2026 to review the structure, size and composition of the Board; assess the independence of the independent non-executive Directors; and review and make recommendations to the Board on the re-election of the Directors. The attendance of each member is set out as follows:

Members	Number of attendance
Mr. Wu Zhanming	2/2
Mr. Jiang Pengzhi	2/2
Ms. Tsang Fung Chu *JP*	2/2



BOARD DIVERSITY POLICY

The Company is committed to equality of opportunity in all aspects of its business and does not discriminate on the grounds of race, gender, disability, nationality, religious or philosophical belief, age, sexual orientation, family status or any other factors.

The Company continuously seeks to enhance the effectiveness of its Board and to maintain the highest standards of corporate governance and enhance the benefits of diversity in the boardroom. The Company sees diversity as a wide concept and believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, regional and industrial experience, background, race, gender and other qualities. In infusing its perspective on diversity, the Company will also take into account facts based on its own business model and specific needs from time to time.

For the purpose of implementation of the board diversity policy of the Company (the "Board Diversity Policy"), the following measurable objectives were adopted:

a) at least 1/3 of the members of the Board shall be independent non-executive Directors;

b) at least one of the members of the Board shall have obtained accounting or relevant financial management professional qualifications; and

c) at least one of the members of the Board shall be female.

The Company endeavors to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and in order for the Board to be effective.

The appointments of the members of the Board will continue to be made on a merit basis, and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board believes that such merit-based appointments of the Directors will best enable the Company to make sure that the Board is able to act in the best interests of the Company and its Shareholders going forward.

The Nomination Committee is primarily responsible for identifying suitably qualified candidates to become members of the Board and, in carrying out this responsibility, will give adequate consideration to the Company's diversity policy.

The Company will review the policy on a regular basis to ensure its continued effectiveness. The Nomination Committee and the Board have reviewed the membership, structure and composition of the Board, and are of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain a high standard of operation.

During FY2026, the Nomination Committee reviewed the implementation of the Board Diversity Policy. As at 30 June 2026, the Board comprised 2 executive Directors and 3 independent non-executive Directors, of whom 1 is female. The Board satisfied the measurable objectives set out above. Having considered the Directors' skills, experience, professional backgrounds, gender and independence, the Nomination Committee considered that the Board's composition remained appropriate and balanced for the Company's business needs.



WORKFORCE DIVERSITY

The Company is committed to ensuring that gender diversity is achieved in the workforce. As at 30 June 2026, the Group's overall workforce (excluding senior management) comprises 51% males and 49% females, and the senior management of the Company comprises 82% males and 18% females. For the purpose of implementing gender diversity in the Group's workforce, the Company will organise more trainings, workshops or seminars on gender equality for employees. The ESG Working Group of the Company will regularly report the situation on gender diversity in the Group's workforce to the Board for further enhancement. During the year under review, the Nomination Committee and the Board considered that the Board had achieved the gender diversity and maintained an appropriate gender diversity at the Board level by having at least one female Director in view of the current business operations, size of the Company and the Board. This Board gender diversity target has been achieved and the Board aims to maintain at least the current level onwards, therefore no timeline or plan will be proposed for further enhancing the Board gender diversity for the time being. However, the Board will continue to enhance the proportion of female Directors when opportunities arise over time when selecting and making recommendations for suitable candidates.

Existing gender diversity in the Group's workforce is considered to be well-balanced, and the Company anticipates this diverse workforce will be maintained going forward.

DIRECTOR NOMINATION POLICY

The Company has adopted a Director nomination policy, pursuant to which in evaluating and selecting any candidate for directorship, the following criteria should be considered:

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions that the candidate can bring to the Company and/or the Board in terms of qualifications, skills, experience, independence, gender and race diversity.
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for the nomination of the Directors and succession planning.



As regards selection and appointment of new Director(s):

- The Nomination Committee and/or the Board should, upon receipt of a proposal on the appointment of a new Director(s) and the biographical information (or relevant details) of the candidate(s), evaluate such candidate(s) based on the criteria as set out above to determine whether such candidate(s) is/are qualified for directorship.

- The Nomination Committee should then recommend the Board to appoint the most appropriate candidate for directorship, as applicable.

- For any person that is nominated by a Shareholder for election as a Director at a general meeting of the Company, the Nomination Committee and/or the Board should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.

Where appropriate, the Nomination Committee and/or the Board should make recommendations to the Shareholders with respect to the proposed election of Directors at a general meeting.

As regards the re-election of the Director(s) at the general meeting:

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his/her level of participation and performance on the Board.

- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out in the nomination policy above.

Where the Board proposes a resolution to elect or re-elect a candidate as Director at a general meeting, the relevant information of the candidate will be disclosed in the circular to the Shareholders and/or the explanatory statement that accompanies the notice of the relevant general meeting in accordance with the Listing Rules and/or applicable laws and regulations.

The Nomination Committee will also monitor and review this policy regularly with reference to the structure, size and composition of the Board to ensure that this policy meets the current regulatory requirements and the business needs of the Company. During FY2026, the Nomination Committee and the Board have reviewed the Director nomination policy and considered it to be effective.

DIRECTORS' TIME COMMITMENT

All Directors should ensure that sufficient time and attention is allocated to the Company to discharge their responsibilities. They are required to disclose the number and nature of offices held in public companies or other organisations and his or her significant commitments at the time of his or her appointment, and any subsequent changes thereto in a timely manner.



On 29 September 2026, the Nomination Committee reviewed and assessed each Director's time commitment and contribution to the Board during FY2026 and each Director's ability to discharge his or her responsibilities. The Nomination Committee considered that each Director gave sufficient time and attention to the affairs of the Company and undertook his or her responsibilities effectively during FY2026, with regard to the following:

1. Directors' skills and experience;

2. Each Director's role and positions at the Company and its subsidiaries, as well as his or her external directorships or offices in other companies or organisations and/or other major commitments; and

3. Each Director's attendance record at the board and committee meetings of the Company during the year.

AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about its responsibilities on the Company's consolidated financial statements for FY2026 is set out in the "Independent Auditor's Report" on pages 97 to 102 of this annual report.

For FY2026, remuneration payable to the Company's auditor, Forvis Mazars CPA Limited, for the provision of audit services was HK$920,000. During FY2026, HK$135,000 was paid as remuneration to Forvis Mazars CPA Limited for the provision of non-audit related services including professional services for the interim results.

AUDIT COMMITTEE

The Audit Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Jiang Pengzhi, Mr. Yang Ye and Ms. Tsang Fung Chu *JP*. Ms. Tsang Fung Chu *JP* is the chairman of the Audit Committee.

The Audit Committee is mainly responsible for assisting the Board in applying financial reporting and internal control principles and in maintaining an appropriate relationship with the Company's auditor. The Audit Committee also delegated the corporate governance function of the Board to monitor, procure and manage corporate governance compliance within the Group. The full terms of reference are available on the Company's website and the Stock Exchange's website.

The Audit Committee met 2 times during FY2026 and the attendance of each member is set out as follows:

Members	Number of attendance
Ms. Tsang Fung Chu *JP*	2/2
Mr. Jiang Pengzhi	2/2
Mr. Yang Ye	2/2



The following is a summary of work performed by the Audit Committee during FY2026:

1. reviewed and discussed the audited financial statements of the Group for the year ended 30 June 2025 and recommended to the Board for approval;

2. reviewed and discussed the unaudited financial statements of the Group for the six months ended 31 December 2025 and recommended to the Board for approval;

3. reviewed and discussed with the management and auditor of the Company the accounting policies and practices which may affect the Group and the scope of the audit;

4. reviewed the effectiveness of risk management and the internal control systems of the Group and the effectiveness of the Group's internal audit function; and

5. reviewed and approved the remuneration and the terms of engagement of the Company's auditor; and reviewed and made recommendations to the Board on the re-appointment of the Company's auditor.

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 information announcements and other financial disclosures required under the Listing Rules and other regulatory requirements.

The Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for FY2026.

The management has provided the Board with such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company has provided all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

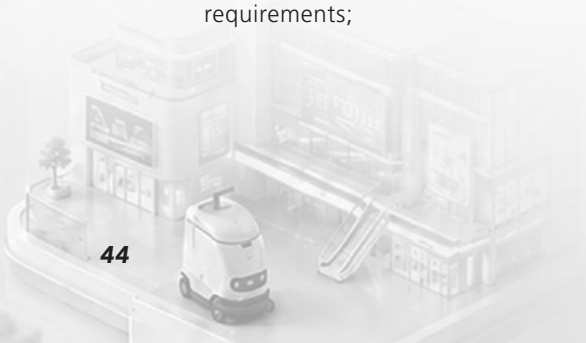
CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for determining the policy for the corporate governance of the Company and performing the corporate governance duties as below:

1. to develop and review the Group's policies and practices on corporate governance and make recommendations;

2. to review and monitor the training and continuous professional development of the Directors and senior management;

3. to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;



4. to develop, review and monitor the code of conduct and compliance manual applicable to the employees of the Group and the Directors; and

5. to review the Group's compliance with the CG Code and disclosure requirements in the corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT STRUCTURE

Board

The Board acknowledges its responsibility for the Company's risk management and internal control systems and to maintain and review the effectiveness of such systems of the Company and its subsidiaries on an on-going 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. The Board oversees the risk management and internal control systems and determines the nature and extent of the risks the Group is willing to accept in achieving the Group's strategic objectives. The Board assesses, evaluates and monitors on an on-going and annual basis the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, to ensure they are appropriate and effective.

Audit Committee

The Audit Committee assists the Board in overseeing the Group's risk management and internal control systems (including environmental, social and governance risks) by providing support and advice, including on-going monitoring of the execution of risk management processes and reviewing and approving the internal control review plan and results.

Management

The management is responsible for identifying and monitoring the risks from the daily operations of the Group. The management reports to the Board and the Audit Committee on the risks identified, including strategic, operational, financial, reporting and compliance risks and related changes. The management is also responsible for developing appropriate internal control measures to mitigate the risk and identify and resolve material internal control defects.

Independent internal control consultant

Internal audit function is in place within the Group as required under Code Provision D.2.5 of the CG code. During FY2026, to strengthen the risk management and internal control of the Group, the Company has engaged an independent internal control consultant (the "IC consultant") to perform independent appraisal of the adequacy and effectiveness of certain subsidiaries' risk management and internal control systems for FY2026. The IC consultant reports directly to the Audit Committee on all internal audit matters. The Audit Committee is, therefore, able to monitor the internal control deficiencies and remediate the internal control deficiencies effectively. The external auditor is also able to communicate to the Audit Committee directly on the internal control issues they noticed during their audit.



RISK MANAGEMENT PROCESS

The Group's risk management process is embedded into its day-to-day operation. Through regular discussion with each operating function, the Group strengthens the understanding of risk management for all employees such that they could report various risks they identified to the management in a timely manner. Management communicates with each operating function to identify, assess, respond and monitor significant risks and their changes.



Significant risk factors are collected from bottom to top, including strategic, operational, financial, reporting and compliance risks. After identifying all relevant risks, management assesses the potential impact and possibilities of the risks and prioritizes the risks, develops appropriate internal control measures to mitigate the risks identified and monitors the changes of risks in an on-going manner.

MAIN FEATURES OF THE COMPANY'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

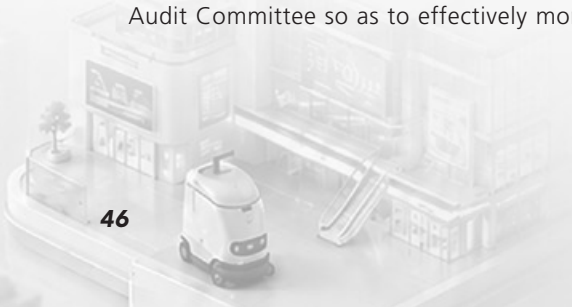
MAINTAIN AN EFFECTIVE INTERNAL CONTROL SYSTEM AT THE OPERATIONAL LEVEL

- Establish clear internal control policies and procedures, clearly define the responsibilities, authorities and accountabilities of each key position;
- Establish a code of conduct, explain the Group's requirements on integrity and ethical value to all staffs;
- Establish a whistle-blowing mechanism, encourage employees to report incidents of misconduct or fraud;
- Establish an appropriate level of information technology access rights, avoid leakage of price sensitive information; and
- Establish insider information and other discloseable information handling and disclosure policy, including reporting channel and responsible person of disclosure, unified response to external enquiries and obtain advice from professionals or the Stock Exchange, if necessary.

During FY2026, the Board has reviewed the effectiveness of internal control policies and procedures, including those related to financial reporting and the Listing Rules compliance. The Board has considered the adequacy of resources, staff qualifications and experience, training programs for the staff and budget of the accounting, internal audit and financial reporting functions during the evaluation of the effectiveness of risk management and internal control systems. The Board confirms that the Company's risk management and internal control systems are appropriate and effective for the purposes set out in Principle D2 of the CG Code. During FY2026, there are no significant changes in the Company's assessment of risks (including ESG risks) and the risk management and internal control systems.

On-going risk monitoring at risk management level

The management communicates with each operating function, collects significant risk factors that will affect the Group from bottom to top. The management assesses the related potential impact and possibilities of the risks and develops appropriate internal control measures to mitigate the risks identified, and reports to the Board and the Audit Committee so as to effectively monitor and mitigate the major risks of the Group.



Independent review

The Group has appointed the IC consultant to conduct an internal control review[1] during FY2026, and the review covered the period from 1 July 2025 to 30 June 2026. An internal control review report has been provided to the Audit Committee.

The management has established remediation and improvement plan for internal control weaknesses identified. The management has established a remediation and improvement plan for the internal control weaknesses identified. In compliance with Section H(g) of Part 1 of the CG Code, the key remedial steps taken and proposed are set out below:

- **Policy and procedural enhancements:** The Group has reviewed and revised relevant internal control policies and operating procedures to address identified control gaps. Clear requirements on approval authority, segregation of duties and supporting documentation for relevant business workflows have been formalised.

- **Targeted staff training:** Relevant management and operational personnel have received dedicated training on internal-control and compliance requirements to reinforce awareness of control obligations.

- **Ongoing monitoring mechanism:** The internal audit function will carry out periodic follow-up reviews to assess the effectiveness of remedial measures. Remediation progress will be reported to the Audit Committee on a yearly basis. The Audit Committee will supervise implementation and validate whether the internal-control weaknesses have been fully rectified.

- **Implementation timeline:** All material remedial actions are targeted for full completion by 31 December 2026.

Nothing has come to the Audit Committee's or the Board's attention to believe that the risk management and internal control systems of the Group are inadequate or ineffective.

Such risks mentioned therein would include, amongst others, material risks relating to the environmental, social and governance risks.

[1] The internal control review performed by the IC consultant does not constitute an assurance engagement made in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.



COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

The rights of the Shareholders and the procedures for demanding a poll on resolutions at the general meeting are contained in the Bye-laws. The Bye-laws have been made available on the website of the Stock Exchange and the Company's website. The Company has taken various steps to ensure compliance with the requirements about voting by poll and arrangements have been made for the voting of each of the resolutions being put to the meetings to be dealt with by means of poll pursuant to the Listing Rules.

Pursuant to section 58 of the Bye-laws, Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. The purposes of convening the meeting must be stated in the relevant requisition, signed by all the Shareholders concerned in one or more documents in like form and deposited at the Company's head office and principal place of business in Hong Kong.

Pursuant to Section 79 of the Companies Act of Bermuda, Shareholders representing not less than one-twentieth of the total voting rights or not less than 100 Shareholders, may at their expense, unless the Company otherwise resolves, propose any resolution at a general meeting of the Company. A written request signed by the requisitionists containing a description of the proposed resolution to be put forward at the meeting, together with a sum reasonably sufficient to meet the expenses in giving effect thereto, must be deposited at the registered office of the Company not less than six weeks before the meeting.

The AGMs provide an opportunity for the Shareholders to communicate directly with the Directors. At the AGMs, the Chairman and the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee are responsible for answering questions raised by the Shareholders. The auditor of the Company will also attend the AGMs to answer questions raised by the Shareholders on the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor's independence.

In order to provide detailed and up-to-date information of the Company to the Shareholders, the Company has a wide range of communication channels to ensure its Shareholders are kept well-informed. These comprise communication by way of general meetings, annual reports, notices, announcements and circulars. Investors are welcome to make enquiries to the Company at its office in Hong Kong or visit the Company's website (www.novautekgroup.com) directly for updated corporate and financial information on the Group.

During FY2026, the Company has reviewed the implementation and its effectiveness of the Shareholders' communication policy. The Board is of the view that the Shareholders' communication policy of the Company has facilitated sufficient communication with Shareholders and considered this policy effective and adequate.

During FY2026, no shareholder engagement has been conducted under Code Provision F.1.1.



DIVIDEND POLICY

The Company has formulated and adopted a dividend policy which aims to set out guidelines for declaring and recommending dividends to the Shareholders.

The Board has the discretion to declare and distribute dividends to the Shareholders subject to the requirements of the Bye-laws, any applicable laws, rules and regulations and the consideration factors set out below.

The Board will consider the following factors of the Group before declaring or recommending dividends:

a) the Company's actual and expected financial performance;

b) the Group's liquidity position;

c) retained earnings and distributable reserves of the Company and each of the members of the Group;

d) the level of the Group's debts to equity ratio, return on equity and the relevant financial ratios;

e) any restrictions on payment of dividends that may be imposed by the Group's lenders;

f) the Group's expected working capital requirements and future expansion plans;

g) general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and

h) any other factors that the Board deem appropriate.

The Company does not have any pre-determined dividend payout ratio. For the avoidance of doubt, this dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way obligate the Company to declare a dividend at any time or from time to time.

The Board will review this policy as appropriate from time to time. During FY2026, the Board has reviewed the Company's dividend policy and considered it to be effective. The Board confirms that all dividend decisions made during FY2026 were made in accordance with the Company's dividend policy.

During FY2026, the Board decided not to declare any dividends. In view of uncertain market conditions, the Group considers it appropriate to preserve the Group's cash resources to supplement working capital, support operational optimisation and business expansion and strengthen its financial position, so as to safeguard the Group's long-term stable development and the overall interests of Shareholders. The Group will continue to optimise operations and cost management to improve profitability and prudently allocate resources to drive steady business growth. The Group will maintain a sound financial position and high transparency. The Board will consider declaring dividends in due course when operating and cash flow conditions permit, so as to enhance long-term Shareholder returns.

COMPANY SECRETARY

During FY2026, Ms. Luk Shan has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During FY2026, there was no significant change in constitutional documents of the Company.



ABOUT THIS REPORT

REPORTING SCOPE AND REPORTING PERIOD

This is the Group's 10th Environmental, Social and Governance ("ESG") Report (the "ESG Report") disclosing the ESG performance of the Group during the period from 1 July 2025 to 30 June 2026 (the "Reporting Period"). The ESG Report highlights our commitment and approach to creating value for the environment, our employees, our customers, and the community.

Unless otherwise stated, the ESG Report focuses on the sustainability performance of (i) the offices of the AI robot, property investment and investment holding businesses located in Hong Kong; and (ii) the office of AI robot and property businesses located in Wuxi, which account for almost 100% of the Group's total revenue during the Reporting Period. The reporting boundary is determined by the materiality of each entity to our business and operations, as well as the ESG impacts. During the Reporting Year, the Group established a new office in Shenzhen for its AI robotics business operations to more comprehensively present the Group's sustainable development performance. This Shenzhen office officially commenced operations in February 2026. Accordingly, its operational boundaries and relevant data have been covered within the reporting scope of this Report from the date of inclusion.

REPORTING STANDARDS

The ESG Report has been prepared in accordance with the "mandatory disclosure requirements" and "comply or explain" provisions of the latest Environmental, Social and Governance Reporting Code as set out in Appendix C2 to the Listing Rules issued by the HKEx.

REPORTING PRINCIPLES

The ESG Report has been prepared based on the following reporting principles.

Materiality	We conduct materiality assessments regularly to identify ESG topics that are material to the Group and our stakeholders. ESG topics that are important to investors and other stakeholders are reported. Please refer to "Materiality Assessment" on pages 55 to 56 for more information.
Quantitative	The Group discloses measurable environmental and social key performance indicators ("KPIs") in the ESG Report. Quantitative ESG targets are set to enhance our sustainability performance. Explanation of quantitative information is provided, and comparative data are disclosed where appropriate. Please refer to "Performance Data Summary" from pages 75 to 77 for more information.
Balance	The ESG Report covers both challenges and achievements of the Group to provide an unbiased picture of our overall performance. Selections, omissions or presentation formats that may inappropriately influence a decision or judgment by the report reader are avoided.
Consistency	Reporting standards and principles are substantially consistent with those of the prior year to allow for meaningful comparisons of ESG data over time. Should there be any changes, footnotes and explanations will be given to facilitate information interpretation.



FEEDBACK

Every stakeholder's feedback matters to the Group's business and sustainable development. Should you have any opinions and comments on the ESG Report or our sustainable development strategy, please share your thoughts at info@novautekgroup.com.

ABOUT US

The Company is headquartered in Hong Kong, and has been listed on the Main Board of the HKEx since 1986. Our core business consists of (i) AI robots; (ii) property development; (iii) property investment; and (iv) investment holding.

OUR APPROACH TO SUSTAINABILITY

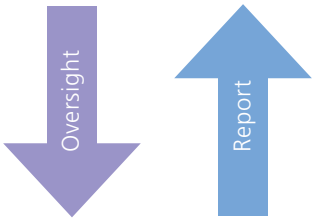
Sustainable development is the core foundation for the Group to create long-term value for stakeholders. We deeply integrate sustainable development principles into our decision-making processes and daily operations to maximize value creation. In addition to continuous internal efforts, we attach great importance to the opinions and feedback of all stakeholder groups and maintain an open stakeholder communication mechanism to promote mutual understanding.

SUSTAINABILITY GOVERNANCE AND THE BOARD'S OVERSIGHT

To ensure the effective integration of sustainable development into the decision-making process, the Group has established a comprehensive framework for environmental, social and governance. The Board is responsible for formulating the environmental, social and governance strategies of the Group and supervising related reporting work, and performing supervisory duties on environmental, social and governance matters, with a focus on the long-term development and positioning of the Group. Delegated by the Board, our ESG Working Group (the "ESG Working Group") is responsible for assisting the Board in planning and implementing the Group's ESG-related matters, and reporting to the Board. Led by the company secretary, the ESG Working Group consists of representatives from across regions of the Group. The ESG Working Group oversees and advises the Board on ESG matters on a regular basis.



The Board	• To oversee the Group's long-term ESG strategy and management approach • To oversee the evaluation, prioritisation and management of material ESG-related issues and risks (including but not limited to climate-related risks as well as environmental and social risks along the supply chain) • To review the progress made against ESG-related goals and targets • To appoint members of the ESG Working Group



The ESG Working Group	• To develop and review the sustainability vision, strategies, priorities, goals and targets of the Group • To identify, evaluate, prioritise and manage material ESG-related risks and opportunities, including climate-related risks as well as environmental and social risks along the supply chain • To review and monitor the implementation of ESG-related policies and practices, and ensure compliance with laws and regulations • To monitor and report the Group's ESG performance and progress against goals and targets, and review their relevance to the Group's businesses • To review and monitor the Group's stakeholder engagement channels to ensure effective communication with key stakeholders • To prepare an annual ESG report for the Board's approval



ESG Management Approach and Strategy

To integrate sustainable development into all aspects of our business and operations, the Group has established the ESG framework. This framework covers our priority areas, and sets out relevant goals and environmental indicators. The Board has approved the ESG framework and assumes overall responsibility for its effectiveness.

Our ESG Framework

Creating Value for the Community	Creating Value for Our Customers	Creating Value for Our Employees	Creating Value for the Environment
Goal: We deliver positive impacts and build bonds with all around us.	**Goal:** We are committed to providing products and services with excellent quality.	**Goal:** We provide nurturing and fulfilling working environments to our employees.	**Goal:** We pursue a sustainable operation pattern by reducing our ecological footprints.

ESG Risk Identification and Mitigation

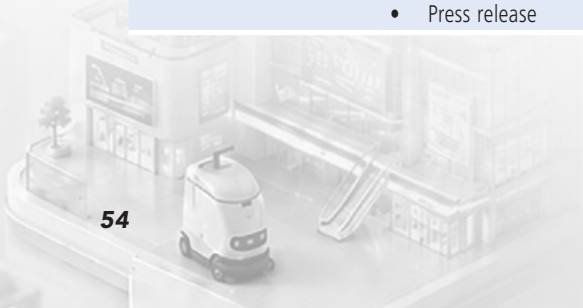
The ESG Working Group is responsible for identifying, evaluating, prioritising and managing ESG-related risks. Periodically, the ESG Working Group submits an ESG risk assessment report to the Board, highlighting the likelihood and significance of potential risks to the Group, including climate-related risks as well as supply chain environmental and social risks. The Board maintains ultimate responsibility for overseeing the Group's assessment and mitigation of ESG-related risks. To ensure effective management of material ESG risks, relevant control mechanisms have been developed and deployed throughout appropriate organizational tiers. Please refer to the Corporate Governance Report within this annual report for comprehensive details regarding our risk management framework and its application.



STAKEHOLDER GROUPS AND ENGAGEMENT CHANNELS

The Group maintains an active and continuous dialogue with our stakeholders to gather their perspectives, opinions and expectations. Stakeholders provide feedback to the Group through multiple channels to assist us in optimizing our business operations and improving our sustainable development strategies. Our regular communication channels, along with key concerns of stakeholders and our corresponding responses, are summarised below:

Stakeholder Groups	Engagement Channels	Frequency	Key Concerns	Our Responses
Employees	• Online questionnaire • Meetings • Interviews • Staff mailbox • Trainings • Intranet	• Annually (performance appraisal) • On-going (day-to-day communication)	• Sound welfare • Training and development • Workplace health and safety	• Provide a competitive remuneration package • Provide on-going training
Customers	• Social media (e.g., WeChat) • Daily operation • E-mails • Customer services • Customer satisfaction survey	• Periodically	• Design and quality • Customer service • Health and safety	• Ensure product and service quality
Government Authorities	• Online questionnaire • Interviews • Site visits • Consultations	• Periodically	• Compliance with regulatory requirements	• Maintain compliance with laws and regulations
Shareholders and Investors	• Online questionnaire • General meetings • Phone call • Company website • Announcements • Financial reports	• Annually (general meeting) • When necessary (for other meetings)	• Financial performance • Corporate governance • Risk management • Compliance with regulatory requirements	• Maintain sound corporate governance • Factual and sufficient disclosure
Business Partners	• Online questionnaire • Cooperation meetings • Site visits	• Periodically	• Design and quality • Compliance with regulatory requirements	• Abide by the contract • Stay open and transparent
Non-Governmental Organisations/ Environmental Department	• Online questionnaire • Interviews • Site visits	• Periodically	• Social inclusion • Environmental protection	• Promote environmental protection • Factual and sufficient disclosure
Suppliers	• Online questionnaire • Interviews • Site visits	• Periodically	• Fair operating practices • Fair competition	• Abide by the contract • Stay open and transparent
Media and the Public	• Social media (e.g. WeChat) • Site visits • Interviews • Press release	• Periodically	• Business ethics • Financial performance	• Factual and sufficient disclosure • Invest in the local community



MATERIALITY ASSESSMENT

With the assistance of an independent sustainability consultant, the Group carried out a materiality assessment to identify ESG topics that have a material impact on the Group and its stakeholders. During the Reporting Period, we combined the Group's business operations and industry characteristics, referenced the industry materiality issue classifications from the Sustainability Accounting Standards Board (SASB) and Morgan Stanley Capital International (MSCI), as well as peer disclosures, to review and identify 22 materiality issues. Our approach to this assessment is as follows:

1. **Identification**
   Identified internal and external stakeholders for survey participation, reviewed and confirmed the pool of potential materiality issues, identifying 22 ESG issues relevant to our business operations and development.

2. **Prioritisation**
   Combining the Group's business operations and industry characteristics as well as peer disclosures, we measured the importance to stakeholders and to the Group's business, and prioritized the identified ESG issues.

3. **Validation**
   Facilitated by the ESG Working Group, the prioritised topics were reviewed by the Board. Topics with the highest importance (most material topics) will be disclosed in detail in the ESG Report to ensure the reasonableness, balance and completeness of the ESG Report. By gathering stakeholder feedback, we ensure that their concerns are considered in the Group's overall strategy.

During the Reporting Period, a total of 22 relevant ESG topics were identified, 11 topics of which were identified as the most material. Our related performance and initiatives were disclosed in detail in the ESG Report.



Materiality Topics

Material Topics		Materiality	Relevant Chapters
Creating Value for the Environment			
1.	Climate Resilience and Adaptation	Most Material	Response to Climate Change
2.	Energy Efficiency and Greenhouse Gas ("GHG") Emissions	Most Material	GHG Reduction and Energy Conservation
3.	Waste Management	Material	Waste Management
4.	Air Emissions Management	Relevant	GHG Reduction and Energy Conservation
5.	Water Resource and Waste Water Management	Material	Conserving Water Resources
6.	Biodiversity	Relevant	The Environment and Natural Resources
7.	Green Building	Most Material	Sustainable Properties
8.	Green Procurement Certification	Material	Supply Chain Management
Creating Value for Our Employees			
9.	Employee Well-being	Most Material	Talent Attraction and Retention
10.	Equal Opportunity, Diversity and Inclusion	Most Material	Talent Attraction and Retention
11.	Occupational Health and Safety	Most Material	Occupational Health and Safety
12.	Employee Development and Training	Most Material	Professional Training and Development
13.	Labour Management, Relations and Communication	Material	Human Rights Protection
14.	Employment Compliance	Material	Human Rights Protection
Creating Value for Our Customers			
15.	Supply Chain Risk Management	Material	Supply Chain Management
16.	Customer Well-being, Health and Safety	Material	Delivering Quality Services for Our Customers
17.	Product and Service Quality, Design and Life Cycle Management	Most Material	Delivering Quality Services for Our Customers
18.	Responsible Marketing and Advertising	Material	Advertising and Marketing
19.	Customer Privacy, Data Protection and Cybersecurity	Most Material	Customer Data Protection
20.	Corporate Governance, Business Ethics and Integrity	Most Material	Anti-Corruption and Business Ethics
21.	Anti-Corruption and Anti-Bribery	Most Material	Anti-Corruption and Business Ethics
Creating Value for the Community			
22.	Community Engagement and Investment	Material	Creating Value for the Community



CREATING VALUE FOR THE ENVIRONMENT

GOAL:

We pursue a sustainable operation pattern by reducing our ecological footprint.

MOST MATERIAL TOPICS COVERED IN THIS CHAPTER:

– Energy Efficiency and GHG Emissions
– Climate Resilience and Adaptability
– Green Building

The Group recognises the importance of sound policies and guidelines to sustainability governance, and the need to set clear targets, indicators and key performance indicators ("KPIs"). As the previous five-year environmental targets were achieved in the 2025 financial year, we will revisit, discuss and formulate new environmental targets this year, with a view to further enhancing the Group's ESG performance in the future.

We aim to minimise the environmental impacts of our operations and promote sustainable development to our stakeholders and the community. In this regard, we ensure strict compliance with relevant environmental laws and regulations[1]. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

GHG REDUCTION AND ENERGY CONSERVATION

Our greenhouse gas emissions mainly come from the purchased electricity consumed in the office, which falls under Scope 2 (energy-indirect) greenhouse gas emissions. As our business did not involve fuel consumption during the Reporting Period, there were no Scope 1 (direct) greenhouse gas emissions or significant air emissions were generated. To reduce our carbon footprint, we encourage our employees to replace non-essential business trips with video conferences and to use public transportation as much as possible when commuting.

The Group is committed to continuously promoting green travel and remote working mechanisms, and plans to incorporate low-carbon advocacy for employees' business trips into the daily travel management system in the future, guiding all staff to jointly implement the vision of low-carbon office work.

In order to minimize our environmental footprint, we actively promote energy-saving measures among our employees. We encourage employees to turn off unnecessary electrical appliances when leaving the office and regularly issue notices in the office to remind colleagues to turn off computers before getting off work, jointly practicing energy conservation and consumption reduction to reduce the generation of air emissions. The Group's offices are committed to maintaining a room temperatures no lower than 25°C. Furthermore, when it is necessary to replace electronic equipment in the office, we prioritise products with higher energy efficiency, for instance, the office has replaced traditional lighting with LED energy-saving lighting.

To further deepen energy-saving results, the Group has adopted "Green Procurement" and "Smart Energy Management" as core directions. We will continue to optimise the procurement guidelines for office assets to ensure that newly purchased office electronic equipment fully meet with high energy efficiency standards (such as Grade 1 energy label), and gradually establish a regular tracking mechanism for office energy consumption, laying the foundation for future quantitative management.

[1] For environmental laws and regulations, please refer to the selection headed "Significant Laws and Regulations".



WASTE MANAGEMENT

The waste generated by the Group mainly comprises general office waste. Although the amount of waste generated from our operations is not significant, we still properly manage all waste, and engage a qualified third party to handle the waste if necessary. The Group will continue to take measures to reduce waste generation at source and enhance the resource recycling rate. To achieve this objective, the Group will continue to optimise the waste classification guidelines for various business segments (robots and AI business and property business) and offices, where practicable, arrange for hazardous or bulky electronic waste to be handed over to third-party institutions with professional qualifications for harmless treatment and resource utilisation.

To reduce paper consumption, we actively encourage our employees to practise waste reduction. The majority of the Group's corporate communications are currently sent in electronic form. We also actively encourage employees to adopt double-sided printing and to recycle waste paper where practicable.

To further promote green office operations, we have adopted "deepening paperless operations" as a core objective. We plan to expand the coverage of our electronic office systems in the future, gradually transitioning more internal approval and external contracting processes to online digital processing, so as to minimise the consumption of physical paper at source to the greatest extent possible.

CONSERVING WATER RESOURCES

The Group's water consumption primarily arises from office operations. We attach importance to water efficiency and are committed to minimising the impact of our business operations on water resources, while ensuring that all wastewater is properly treated in strict compliance with local environmental laws and regulations.

We continuously emphasise the importance of water conservation to all employees, such as posting "Save Water" slogans in washrooms to raise employees' environmental awareness and encourage them to practise water-saving measures in their daily operations. The Group is committed to continuously improving water efficiency in its operations to reduce unnecessary water waste in office premises, and encourage employees to develop water-saving habits.

The water supply of the Group is directly provided by the local water supply company. During the Reporting Period, the Group did not encounter any problems in sourcing water. We will continue to monitor water usage and improve water-saving management to support the sustainable development goals of our group.

Looking ahead, we have adopted "enhancing fundamental water resource management" as a core objective. We will progressively optimise water metering management at core operational sites, regularly carry out inspections of water supply networks to identify hidden hazards and prevent drainage network leakage, and, when conditions are ripe, formulate more specific quantitative water efficiency targets based on accumulated monitoring data.



SUSTAINABLE PROPERTIES

Green buildings are becoming increasingly popular in the Chinese property market due to their better resilience against climate risks and lower electricity costs. The Group has adopted sustainable designs in the Wuxi Property Project, comprehensively considering environmental and resource benefits during the planning, design, construction and operation stages, including but not limited to the following aspects:

Sustainable Design Features for the Wuxi Property Project

Installation of renewable energy system	Solar power and heating systems were installed on the rooftop of our Wuxi Property Project to provide the building with a minimum of 0.2% of the actual electricity consumption and a minimum of 30% of the actual hot water consumption, respectively.
Reuse of rainwater	A rainwater harvesting system with a capacity of 150 tons of rainwater was implemented in the Wuxi property Project to collect rainwater for reuse in cleaning and irrigation purposes.
Smart building technology	Smart building sensors and management systems were installed in the Wuxi Property Project to monitor and control building energy consumption. Examples include sound-activated lighting systems in staircases and an electricity usage monitoring system.
Indoor air quality	Mechanical ventilation systems in car parks, equipment rooms and boiler rooms were tested to ensure sufficient flow rates are provided to meet the standards for good indoor air quality.

THE ENVIRONMENT AND NATURAL RESOURCES

The Group proactively deploys environmental strategies and initiatives to mitigate operational impacts on the environment. We integrate the concepts of environmental protection and resource efficiency into business decisions and daily operations, and comply with applicable environmental laws and regulations. To fulfil our commitment to protecting the environment and natural resources, we continuously monitor the environmental performance of our Wuxi property project, ensuring compliance with regulatory standards and internal environmental requirements through regular environmental audits and data tracking.

Our biodiversity conservation efforts focus on sustainable operations that minimize ecosystem disruption. Moving forward, we remain committed to implementing policies and measures that reduce adverse environmental impacts and enhance environmental consciousness.



RESPONSE TO CLIMATE CHANGE

(I) GOVERNANCE

The Board oversees climate-related risks, opportunities and other relevant matters through regular Board meetings to ensure that such risks are appropriately integrated into the Group's strategy on an annual basis. The Board is responsible for appointing the ESG Working Group, to formulate and review climate-related strategies, coordinate climate-related initiatives, and report annually to the Board and relevant committees on material climate-related risks, opportunities, and progress against climate-related targets affecting the Group.

The respective roles and responsibilities of the Board and the ESG Working Group are as follows:

 The Board	• Provides overall oversight of ESG and climate-related strategy, risks, and performance • Approves ESG and climate-related policies, targets, and major initiatives • Reviews material ESG and climate-related disclosures and progress
 ESG Working Group	• Implements ESG and climate initiatives at the operational level • Collects and manages ESG and climate-related data and metrics • Supports risk assessments, reporting and cross-functional coordination

To ensure the Board's effectiveness in overseeing climate-related strategies, the Board comprises members with relevant ESG expertise. Regular climate-related training is provided to enhance the Board's understanding of emerging climate risks, regulatory developments, and industry trends. Where necessary, external experts may be engaged to provide professional advice in support of material decision-making.

During the Reporting Period, the Group conducted climate-related training. In view of the Group's business nature and operational complexity, climate-related performance metrics have not been incorporated into its remuneration policies.



(II) STRATEGY

Climate-related risk and opportunities

As a responsible company, the Group is committed to addressing climate change and recognises its relevance to its business operations. The Group acknowledges the importance of proactively managing climate-related risks while capturing opportunities arising from the transition to a low-carbon economy. The Group also remains committed to complying with increasingly stringent regulatory requirements and fulfilling its climate-related disclosure obligations.

With reference to the HKEx Implementation Guidance and prevailing market practice, the Group has categorised climate-related risks into short-term (2030) and medium-term (2050) time horizons. As no climate-related risks or opportunities were assessed to be material during the Reporting Period, the Group has not formulated specific transition plans, investment or disposal plans, or capital deployment arrangements in this regard.

Risk and Opportunities	Description	Impact	Response
Physical Risk			
Extreme weather events	The frequency and intensity of typhoons and extreme weather events (such as heavy rainfall) are gradually increasing, posing a direct threat to real estate development project sites, building structures, property assets, etc. For instance, heavy rain may cause water accumulation at construction sites and delay the project schedule. Typhoons may damage the facades of buildings. Rising sea levels will have a long-term impact on the value and safety of coastal properties.	1. **Cash flow, access to finance or cost of capital** **Short term:** Sudden decline in operating cash flows due to asset damage, production disruption and logistics interruption, coupled with increased repair costs. **Medium term:** Higher insurance deductibles and increased cost of capital driven by higher risk premiums. 2. **Business model and value chain** **Current impact:** No material impact identified. **Anticipated impact:** May require reconfiguration of production capacity and enhancement of supply chain contingency arrangements. **Concentration:** Supply chain nodes for property development, property investment and technological advancement located in high-risk areas. 3. **Financial position and performance** **Current impact:** Exposure to asset impairment, inventory damage or insufficient insurance coverage. **Anticipated impact:** Without resilience investments, further downward adjustment of asset carrying values may occur; medium-term capital expenditure required for facility reinforcement and supply chain diversification.	1. Enhance the climate resilience of major property facilities through flood control, structural reinforcement and emergency response plans. For instance, the safety design of property projects in Wuxi has taken into account the impact of extreme weather conditions such as floods and typhoons. 2. Invest in adaptive infrastructure, such as improving the drainage system, temperature control system and water-saving technology of investment properties. 3. Incorporate climate considerations into long-term site selection, asset design and capital planning decisions. 4. Purchase climate-related insurance for property assets to transfer the risk of financial losses caused by extreme weather events. Incorporate insurance premiums into the operating cost planning and regularly review whether the insurance coverage is adequate.



Risk and Opportunities	Description	Impact	Response
Transition risks			
Policy and compliance risk	Regulatory authorities and investors have been raising their requirements for corporate ESG disclosure. Stricter regulations and policies on carbon emissions, energy efficiency and product standards may result in higher compliance costs, carbon taxes or legal liabilities.	**1. Cash flow, access to finance or cost of capital** **Short term:** Increased compliance costs and carbon tax or carbon trading expenses. **Medium term:** Sustained increases in operating costs and financing costs. **2. Business model and value chain** **Current impact:** No material impact identified. **Anticipated impact:** Potential redesign of product portfolios. **Concentration:** The value chain of technology development, property development and property investment.	1. Monitor regulatory developments and proactively align internal policies with emerging climate-related laws and standards. 2. Implement energy efficiency and emissions reduction initiatives to mitigate exposure to carbon pricing and compliance costs.

While climate change poses risks, it also creates opportunities for corporate development. We are exploring ways to integrate climate considerations into our business segments to enhance long-term resilience. By aligning our growth with the transition to a low-carbon economy, we aim to create sustainable value for both our stakeholders and the environment.



CLIMATE RESILIENCE

We conducted scenario analysis in 2026 to assess the resilience of our business model under different climate pathways, with the following inputs and results:

Scope and Boundary

- "ESG Report for the Year ended 30 June 2026"

Scenarios Used

Name & Description	Network for Greening the Financial System ("NGFS") Current Policies (representing a pessimistic pathway) – This scenario assumes that only currently implemented policies are preserved, leading to high physical risks. NGFS Net Zero 2050 (representing an optimistic pathway) – This scenario limits global warming to less than 1.5°C through stringent climate policies and innovation, reaching global net zero carbon dioxide emissions around 2050.
Rationale	• **Industry sector** – The NGFS framework is relevant across a broad spectrum of sectors, including The Group's operations. • **Types of risks to be assessed** – The scenarios developed take reference from NGFS, which covered the transition risk we assessed • **Scenarios with high contrast** – The NGFS Current Policies and Net Zero 2050 scenarios are equivalent to >3 °C and <1.5 °C, respectively, as stated in the Paris Agreement • **Time horizons determined and alignment to latest international agreements** – The scenarios selected provide time frames (Up to 2100) that align with the Group strategic planning time horizon (Up to 2050) and align with the Paris Agreement (Up to 2050)

Time Horizons

Short-term	the year of 2030
Medium-term	the year of 2050

Key Assumptions

- The analysis was conducted in 2026 and expected the parameters (e.g. the greenhouse gas emissions and operating costs) will remain broadly comparable over the time horizons.



QUALITATIVE DESCRIPTION

Risks	Relevance and assumptions	NGFS Net Zero 2050	NGFS Current Policies
Increased cost of carbon Pricing	In assessing this risk, we considered the greenhouse gas emissions and operating costs for the Reporting Period which is ended 30 June 2026 as a reference point and assumed these parameters would remain broadly comparable over the time horizon. The assessment is subject to uncertainties, including future policy developments, carbon market conditions and technological advancements. The potential impacts in the short term and medium term are assumed to be broadly similar. Nevertheless, we will explore ways to quantify the impacts in the future. We will continue to monitor regulatory developments and explore opportunities to reduce greenhouse gas emissions.	Under this scenario, global climate policies are assumed to become more stringent over time, which may lead to higher carbon pricing levels. Such developments could increase the Group's operating costs if carbon pricing mechanisms become more widely implemented or strengthened.	Under this scenario, climate policies are assumed to continue broadly in line with existing commitments. As a result, potential cost impacts associated with carbon pricing are expected to be comparatively more moderate, although policy developments remain uncertain.



(III) RISK MANAGEMENT

The Group integrates climate-related risks and opportunities into our overarching risk management framework to ensure they are systematically identified, assessed, managed, and monitored.

The Group conducts an Enterprise Risk Assessment covering the reporting scope every year. We identify climate-related risks and opportunities by benchmarking against global sustainable development trends, industry disclosures and leading frameworks, including:

- SASB Standards and the MSCI ESG Industry Materiality Map;
- The World Economic Forum "Global Risks Report" 2026; and
- The Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Each identified risk is assessed based on its likelihood and potential impact, taking into account the Group's adaptive capacity and the resources required for recovery. For specific climate-related risks, including decreased labour productivity due to heat stress, increased costs associated with carbon pricing, and rising electricity expenses, the Group has adopted scenario analysis to evaluate potential financial impacts. To prioritise these risks, a quantitative scoring model developed by external consultants is applied and subsequently reviewed and refined by senior management to ensure alignment with operational realities and business context.

The Group manages prioritized risks in accordance with our established risk appetite through four primary strategies, which are mitigation, transfer, acceptance and control. We periodically review risk management processes and methodologies to ensure continued effectiveness. During the Reporting Period, there were no material changes to our risk management processes compared to the previous year.

(IV) METRICS AND TARGET

Greenhouse Gas Emissions

The Group major source of emissions includes the purchased electricity of offices and canteen . Emissions are calculated according to the GHG Protocol Corporate Accounting and Reporting Standard (2004). The Group have adopted the operational control approach for our organizational boundary, as it provides the most direct access to primary data. During the Reporting Period, there have been no changes to the measurement methodology, data inputs, or underlying assumptions and the emission data is as follow:

Emission Type	Unit	FY2025	FY2026
Direct Emission (Scope 1)	tCO_2e	0.02	**0.02**
Energy Indirect Emission (Scope 2) (Location-based)	tCO_2e	40.51	**73.66**
Other Indirect Emission (Scope 3)	tCO_2e	N/A[2]	**10.12**
Total GHG Emission (Scope 1 & 2)	tCO_2e	40.53	**73.68**
GHG Emissions Intensity (Scope 1 & 2)	tCO_2e/m^2	0.03	**0.04**

[2] The relevant data was statistically analyzed and calculated starting from this fiscal year.

CLIMATE-RELATED TARGETS

We actively respond to the national "Dual Carbon" targets and "Hong Kong's Climate Action Blueprint 2050", encouraging employees to embrace energy conservation. During the Reporting period, the Group has set a target internally to participating in at least one climate-related activity or initiative annually. Through stakeholder collaboration, we will support energy conservation, emissions reduction, and decarbonization efforts. We will also identify environmentally impactful activities and implement improvement measures to mitigate climate-related risks. The ESG Working Group oversees progress and engages professional advisors when necessary. During the Reporting Period, we participated in the Energy Saving Charter of the Environment and Ecology Bureau of Hong Kong, demonstrating our commitment to emissions reduction and accelerating the transition to a low-carbon future.

CREATING VALUE FOR OUR EMPLOYEES

GOAL:

We provide nurturing and fulfilling working environments to employees.

MOST MATERIAL TOPICS COVERED IN THIS CHAPTER:

– Employee Well-being
– Equal Opportunity, Diversity and Inclusion
– Occupational Health and Safety
– Employee Development and Training

The Group is committed to fostering a secure, comfortable, and inspiring work environment where employees can achieve personal and professional growth, contributing to a highly effective and productive organization. We abide by all applicable laws and regulations[3] relating to employment. During the Reporting Period, the Group were not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

TALENT ATTRACTION AND RETENTION

The Group recognises that employees play a critical role in the Group's sustained growth and development, we place paramount importance on talent acquisition and retention. We employ diverse recruitment channels, including internal referrals, job postings and other methods. Throughout our recruitment process, we are committed to ensuring equal opportunities for candidates from all backgrounds. Our selection is solely based on merit, regardless of gender, age, marital status, family status, pregnancy, disability, race, or religion. Our policies explicitly prohibit all forms of harassment and discrimination within the work environment. We encourage employees to voice concerns about potential misconduct directly to the chairman of the Audit Committee.

We provide our employees with compensation and benefit packages to maintain precious human capital. Employees enjoy compensation benefits such as meal allowances. Furthermore, we prioritise the well-being of our employees and provide comprehensive welfare packages, including parental leave, medical insurance, and hospital benefits, as well as a variety of allowances. We compensate leave to employees to ensure that they have sufficient rest. To ensure competitive compensation, our packages are regularly benchmarked against industry standards.

To recognise outstanding performance of our employees, we conduct formal performance appraisals periodically, with the results reflected in the annual compensation adjustments and promotion reviews.



[3] For laws and regulations relating to employment, please refer to the section headed "Significant Laws and Regulations".

In addition, the Group values team cohesion and the physical and mental well-being of its employees. During this year, we organised a number of team-building activities, in which all colleagues actively participated. Through mutual cooperation and open communication, the activities effectively brought colleagues closer and alleviated daily work pressure. Looking ahead, we will continue to work together with united efforts to drive the Group's development.



HUMAN RIGHTS PROTECTION

As a responsible employer, the Group is committed to safeguarding the human rights of all employees and workers. We implement a zero-tolerance stance against all forms of forced and child labour, and strictly abide by all applicable laws and regulations[4] relating to labour standards. During our recruitment process, the human resources department conducts a thorough examination of the personal documents submitted by candidates to confirm their eligibility in accordance with our internal policies. If any discrepancies or indications of child or forced labour are identified, the Group will immediately take action to terminate the relevant recruitment process or employment relationship. We also give employees adequate rest time to prevent forced labour. Our human resources department reviews the recruitment practices regularly to ensure the effectiveness of our existing measures against child and forced labour. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour.

OCCUPATIONAL HEALTH AND SAFETY

Protecting our employees and workers from safety and health hazards is our top priority. In this regard, we ensure strict compliance with all relevant laws and regulations[5] relating to health and safety. To ensure that employees and workers are familiar with the response procedures in the event of a safety accident, the Group holds emergency drills for employees. We maintain construction sites with complete safety equipment, including personal protective gear and first-aid stations. Meanwhile, we deliver comprehensive health and safety education to all personnel.

In light of the recent prevalence of various influenza and infectious diseases, we continue to implement necessary measures to ensure employees health and safety. Our offices are equipped with face masks and hand sanitisers for employee use. To minimise in-person interactions, corporate meetings are primarily conducted through video conferencing. We continue to undergo regular office disinfection to minimise transmission risks in Wuxi, Hong Kong and Shenzhen offices.

During the Reporting Period, 25 working days were lost due to work-related injuries. Furthermore, there were no work-related fatalities in each of the past three years (including the Reporting Period) within the Group. The Group was not aware of any material non-compliance with laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.

PROFESSIONAL TRAINING AND DEVELOPMENT

The Group believes that training is the key to enhancing the capabilities of our employees. We regularly identify the learning and development needs of our employees and provide them with comprehensive internal and external training and development opportunities to ensure that they keep pace with the times and master the latest knowledge and skills. Department managers and department heads regularly review the skills and performance of employees to assess the appropriateness and effectiveness of the training.

In terms of internal training, we offer theoretical and practical training courses covering relevant technologies, safety and integrity, etc., to help employees thoroughly understand their responsibilities and put them into practice. We also sponsor our employees to participate in external training courses to help them obtain professional certificates, thereby supporting their professional development.

---

4 For laws and regulations relating to labour standards, please refer to the section headed "Significant Laws and Regulations".

5 For laws and regulations relating to health and safety, please refer to the section headed "Significant Laws and Regulations".

CREATING VALUE FOR OUR CUSTOMERS

GOAL:

We are committed to providing products and services of excellent quality.

MOST MATERIAL TOPICS COVERED IN THIS CHAPTER:

- Product and Service Quality, Design and Life Cycle Management
- Customer Privacy, Data Protection and Cybersecurity
- Corporate Governance, Business Ethics and Integrit
- Anti-corruption and Anti-Bribery

The Group is committed to designing, constructing and creating high-quality development projects and AI robotic application services to fulfill customer expectations. We firmly believe that integrating sustainable practices into projects is a core element in providing long-term value to our respected clients. To ensure customer satisfaction, we comply with all applicable laws and regulations[6] related to product liability and anti-corruption. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations related to the health and safety, advertising, labeling, privacy matters and remedies of the products and services we provide, as well as bribery, extortion, fraud and money laundering.

DELIVERING QUALITY SERVICES FOR OUR CUSTOMERS

Quality products and services for our customers are paramount to the Group. We have established a comprehensive policy framework to oversee all phases of the Wuxi Property Project, ensuring consistent service standards throughout the entire lifecycle, spanning from initial planning and design through construction, delivery, and post-sale support. In the rare event that any phase fails to meet the internal and legal standards, the responsible personnel are required to rectify the situation before progressing.

In our leasing operations in Hong Kong, our foremost objective is to offer our tenants a secure and quality workspace. Prior to the office handover, a thorough site inspection is jointly conducted with the tenants to promptly identify and resolve any issues they might raise about the workplace.

In AI robotic business, the Group provided efficient and worry-free intelligent operation solutions for local customers in a service model of "Intelligence + Low Carbon". It was supported by a flexible revenue model that offers multiple options, such as direct sales, rent-to-buy and subscription plans to cater diverse customer needs.



[6] For laws and regulations relating to product responsibility and anti-corruption, please refer to the section headed "Significant Laws and Regulations".

EMBRACING THE FUTURE TRENDS OF AI ROBOTS

The Group adheres to the belief of creating a better life through technology and is committed to exploring opportunities in the field of AI robot technology and innovation. We offer our customers a wide range of AI robot solutions to enhance their well-being and quality of life, including:

 **1. Humanoid Robot and Concierge Robot**	• Supports visual interaction, voice interaction, tactile interaction, and facial expression interaction • General inquiries: the robots are installed with the natural language system, able to understand and good at communication, and able to provide massive information • Customize the route and be guided with narration in several languages
 **2. Intelligent Cleaning and Sanitation**	• Employs autonomous driving technology for cleaning and sanitation tasks, offering convenient operation in specific environments while reducing accident rates • Enables intelligent configuration and automation with the built-in super brain • Achieves high recognition accuracy and fine perception capability to increase cleaning efficiency • Achieves seamless integration of intelligent configuration and automated execution to create an integrated operational workflow
 **3. Intelligent Security and Inspection**	• Safeguards the safety of personnel and assets with active inspection and enhanced AI recognition and traceability • Ensures security and incident prevention with 360-degree monitoring, a "smart patrol" function and 24/7 patrol • Enhances safety and efficiency with obstacle avoidance technology
 **4. Intelligent Logistics Delivery**	• Improves delivery efficiency and extends delivery hours • Equips with industry-leading L4 autonomous driving capability, providing reliable performance in extreme weather • Incorporates advanced technology including perception system, deep learning, self-innovated hardware and simulation platform
 **5. Intelligent Warehouse Management**	• Integrates autonomous handling and sorting technologies with smart storage and scheduling systems to provide a one-stop solution for unmanned intelligent warehousing and park transportation • Ensures zero sensing blind zones around the car body • Allows general indoor and outdoor use 24/7 • Utilises 3D Simultaneous Localization and Mapping (SLAM) for rapid deployment



INDUSTRY ENGAGEMENT AND RELATED AWARDS

Amid the rapid development of AI and robotics, the Group plays a pioneering role by participating in top innovation and technology exhibitions, industry expos and summits to fully drive technological innovation and ecosystem sharing. It showcased latest breakthroughs in cutting-edge applications such as humanoid and quadruped robots, and jointly explored practical deployment in diverse scenarios with industry-academia-research and cross-disciplinary partners. Through continuous industry dialogue and collaboration, the Group is committed to building a sustainable, all-scenario robotics ecosystem, injecting momentum into the transformation leading a new era of intelligent robotics.

INDUSTRY ENGAGEMENT

Leading a new chapter in technology implementation with scenario-based AI solutions

In January 2026, Novautek was invited to participate in the CES 2026 Hong Kong Pavilion, jointly organized by the HKTDC and the HKSTP. We engaged in in-depth dialogue with global developers and industry experts to promote cross-regional technology collaboration. At the exhibition, the Company highlighted its "AI Robot-as-a-Service (AI RaaS)" platform, presenting practical application solutions for sectors such as logistics, security, retail, and healthcare, thereby implementing the "platform+scenario" empowerment concept.



Joining Hands with Hutchison Telecommunications in an Interview to Discuss the Cross-Sector Integration and Scenario Deployment of 5G and AI Robots



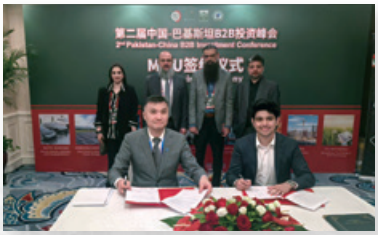
In December 2025, Novautek and Hutchison Telecommunications were interviewed by Metro Finance's "Corporate Blueprint". They shared their cross-sector collaboration success, combining Hutchison's leading 5G infrastructure with Novautek's full-scenario intelligent solutions and humanoid robotics technology. The partnership, first applied in education and retail scenarios, was analyzed in depth regarding its core technological integration and development trends.

Showcasing at the Belt and Road Summit, Deepening Global Presence and Cross-Border Collaboration

In September 2025, Novautek joined the 10th Belt and Road Summit, exchanging with investors and partners from the Middle East, Southeast Asia, Europe, and beyond to explore new momentum for international markets. The Company shared its Hong Kong and overseas expansion strategy, highlighting breakthroughs in tech innovation and cross-border collaboration, showcasing its core strengths. With a philosophy of openness, collaboration, and mutual success, we use the Belt and Road platform to connect quality resources and drive global deployment and ecosystem building of full-scenario intelligent technologies.



Partnering with Pakistan's two leading enterprises to launch a smart city



In September 2025, at the 2nd Pakistan-China B2B Investment Conference, Novautek signed a memorandum with Pakistan's Vision Group and Habib Rafiq Engineering, aligning with CPEC's tech cooperation strategy. Using AI RaaS, they combine Novautek's AI robotics and autonomous driving with partners' real estate and engineering strengths. The collaboration focuses on smart city applications and AI educational robots. Planned deployments include AI cleaning, security, delivery, logistics, and educational robots in Parkview City and Capital Smart City, expanding across Pakistan and South Asia to empower regional digital transformation.

RELATED AWARDS

Awarded the "Annual Benchmark for Commercial Application" in low-speed autonomous driving



In December 2025, at the 5th Low-Speed Unmanned Driving Industry Development Annual Conference held in Wuhan, Novautek was awarded the "Annual Commercial Application Benchmark Award" for its outstanding commercial application achievements and large-scale operation capabilities. This award reflects the industry's high recognition of Novautek's in-depth layout in low-speed unmanned driving. The company will continue to explore diverse scenarios and innovative business models, promoting the industry's transition from demonstration applications to large-scale commercial operations, and injecting sustainable momentum into the industry ecosystem's prosperity.

Awarded the Innovation Initiative Award at the "Hong Kong Green Enterprise Awards 2025" for leveraging smart technology to drive sustainable development



In November 2025, Novautek was awarded the "2025 Hong Kong Green Enterprise Award – Small and Medium-sized Enterprise Innovation Initiative Award" for its "Smart Community Behavior Recognition Management System" and related green and low-carbon solutions, demonstrating the practical achievements of technology in environmental sustainability. The company has integrated the concept of sustainable development into AI and Internet of Things (iot) technologies. This system has been successfully implemented in multiple communities, effectively assisting property management in enhancing energy efficiency and guiding residents to participate in low-carbon behaviors to reduce their carbon footprint.

CUSTOMER SATISFACTION

Customer feedback is crucial to the business development and success of our group. For this reason, we value every opinion raised by our clients and collect their valuable insights through diverse communication channels. For instance, customers can independently put forward constructive demands or suggestions regarding our services through the opinion expression channels on our company's official website. The relevant departments will handle complaints in a timely manner within a reasonable time to ensure overall customer satisfaction. During the Reporting Period, the Group had no material complaints regarding its products and services[7] (FY2025: 0 cases), and there were no products sold or shipped subjected to recalls for safety and health reasons (FY2025: N/A).

FULFILLING COMMITMENTS TO CUSTOMERS

As we advance toward the future of autonomous intelligent robotics, our commitment to our customers remains paramount. We provide exceptional support through regular checks, extended warranty coverage and a dedicated service hotline for prompt follow-up. In the rare event of a product recall, we offer timely and appropriate remedial solutions to our customers.

Corrective measures will be implemented if any defects or other significant issues that may impact our users are identified. These actions may include the temporary removal of affected products from the market. After completing the necessary updates, the products undergo internal quality checks prior to being reintroduced to the market.

CUSTOMER DATA PROTECTION

Given the Group's extensive transactional relationships with tenants and customers, data security remains our paramount concern. We protect customer information by limiting our data collection to only what is essential for business operations. Employees are required to obtain authorisation from their supervisors before accessing customers' personal information files. Unauthorised data disclosure is strictly forbidden, and individuals found in violation may be subject to internal penalties. In the realm of our AI robot application services, we prioritise privacy by not storing facial recognition data or any other data derived from our products. During the Reporting Period, the Group was not aware of any material substantiated incidents involving the leakage of customer data.

INTELLECTUAL PROPERTY RIGHTS

The Group values the protection and safeguarding of intellectual property rights and has established relevant management measures. For instance, we require that all computers must obtain authorization from the IT and administrative department before installing software to ensure that all installed software is genuine. During the Reporting Period, the Group did not experience any material intellectual property infringement incidents. We have implemented appropriate measures to prevent any infringement of both our own intellectual property and that of third parties.



[7] Material complaints refer to complaints that have long-term material impact on our customers, or a failure to deliver agreed-upon service requirements.

ADVERTISING AND MARKETING

To ensure compliance and protect the reputation of the Group, we ensure that our advertising and marketing materials do not contain any false, misleading or unlawful information. All of our advertising and marketing materials are reviewed and verified by responsible staff to ensure the accuracy and transparency of information before publication.

SUPPLY CHAIN MANAGEMENT

The Group recognizes the critical role of promoting sustainability across our entire supply chain through active encouragement of sustainable principles among our supply chain partners.

The Group identifies environmental and social risks along the supply chain through our risk assessment framework. To mitigate and manage these supply chain environmental and social risks, we have incorporated environmental and social considerations into our supplier selection process. In addition to the traditional selection criteria, we have introduced criteria related to energy efficiency and environmental protection when evaluating potential suppliers. We continually assess and monitor through regular reviews to ensure that suppliers consistently meet our requirements. If any problems are identified, we promptly initiate corrective measures and proceed with a comprehensive assessment to ensure timely resolution.

To effectively manage environmental risks throughout our supply chain, the Group prioritizes responsible and green procurement practices. During supplier selection, we actively favor eco-friendly raw materials and services, and engage with local suppliers to reduce transportation-related emissions whenever possible.

As of 30 June 2026, we have a total of 127 suppliers (FY2025: 54 suppliers), and we implemented our supplier engagement practices to 50 of our suppliers during the Reporting Period.

ANTI-CORRUPTION AND BUSINESS ETHICS

The Group has zero tolerance for corruption, bribery, fraud, money laundering and other unethical practices. We ensure strict compliance with all applicable laws and regulations relating to anti-corruption[8]. All employees are obligated to sign an integrity pledge and adhere to our anti-corruption code of conduct and relevant policies. We have established the whistle-blowing mechanism and strongly encourage employees to report suspicious corruption cases to the management of the Group either orally or by email. All reports and complaints receive strict confidential treatment, protecting whistleblower anonymity and safety. Subsequent investigations will be conducted in a fair manner, and corrective and follow-up actions will be taken promptly. The Board has an overall responsibility for the mechanism, whereas the Audit Committee is responsible for overseeing and implementing the mechanism.

Apart from providing training on ethical standards for new joiners, the Group also organise training sessions on anticorruption for our staff. During the Reporting Period, we conducted anti-corruption training for both Directors and employees to strengthen their awareness and understanding of anti-corruption practices.

The Group maintains an unwavering commitment to business integrity throughout our supply chain. We mandate that key partners sign anti-corruption agreements, strictly prohibiting illegal activities such as bribery, extortion, fraud, and money laundering. If any improper behavior is discovered, we will conduct a thorough investigation and take corrective measures to safeguard the interests of the Group and its stakeholders. During the Reporting Period, there were no concluded litigation cases regarding corruption committed by the Group or its employees.

[8] For laws and regulations relating to anti-corruption, please refer to the section headed "Significant Laws and Regulations".



CREATING VALUE FOR THE COMMUNITY

GOAL:

We deliver positive impacts and build bonds with all those around us.

MATERIAL TOPIC COVERED IN THIS CHAPTER:

– Community Engagement and Investment

The group is committed to creating positive value for the community, actively participates in various charitable activities, and provides care and support to disadvantaged groups within the community. During the Reporting Period, our contributions to the community mainly revolved around promoting community health and well-being and making charitable donations. In promoting a culture of volunteer service, we encourage employees at all levels and in all business units to leverage their skills and expertise to benefit the community.

COLLABORATING WITH TSINGHUA TO BUILD AN EMBODIED AI INDUSTRIALIZATION HUB

The Group has increased its investment in frontier and applied technology R&D, and is establishing a global platform. We collaborate with the Wuxi Institute of Applied Technology, Tsinghua University, to empower the education system and technology talent chain through "industry-academia-research integration." The collaboration comprehensively covers Hong Kong's K-12 basic education, vocational colleges, and higher education institutions: In secondary schools, we develop intelligent educational robots and programming courses, and establish a youth science and innovation practice platform through the Greater Bay Area Embodied AI Competition; in higher education institutions, we establish autonomous driving and robotics training bases to cultivate embodied AI talents for the industry, promoting educational equity and technology popularization, and deepening social inclusion and technological inheritance.

EMPOWERING AND SUPPORTING THE DISABLED

The Group remains dedicated to fostering positive change within our community, with a focus on supporting vulnerable groups. Recognizing the importance of assisting individuals with disabilities, during the Reporting Period, we made a charitable donation to support local non-governmental organisations, such as elderly care centers. This contribution supported services and activities for the elderly, furthering our commitment to enhancing community well-being and inclusivity.



RECOGNISED AS A"CARING COMPANY" FOR 2025/2026

We continue to strive to address social issues while maintaining business operations. During the Reporting Period, our dedication to corporate social responsibility was recognized by the Hong Kong Council of Social Service, which awarded us the Caring Company Logo for 2025/2026. This honor acknowledges our role as a responsible corporate citizen and our commitment to caring for society, our employees, and the environment.



PERFORMANCE DATA SUMMARY

ENVIRONMENTAL [9,10,11,12]

Indicator	Unit	FY2025	FY2026
GHG Emissions[13]			
Total GHG Emissions (Scopes 1 and 2)[14]	Tonnes of CO_2e	40.53	**73.68**
Energy Indirect Emissions (Scope 2)[15]	Tonnes of CO_2e	40.51	**73.66**
Other Indirect Emissions (Scope 3)[16]	Tonnes of CO_2e	N/A	**10.12**
Total GHG Emissions (Scopes 1 and 2) Intensity[12]	Tonnes of CO_2e/m^2	0.03	**0.04**
Energy			
Total Energy Consumption	MWh	65.61	**119.15**
Purchased Electricity	MWh	65.61	**119.15**
Total Energy Consumption Intensity	MWh/m^2	0.041	**0.058**
Hazardous Waste			
Total Hazardous Waste	Tonnes	0.0019	**0.0018**
Total Hazardous Waste Generation Intensity	Kg/m^2	0.0012	**0.0009**
Non-Hazardous Waste[17]			
Total Non-Hazardous Waste	Tonnes	1.71	**0.42**
Total Non-Hazardous Waste Generation Intensity	Kg/m^2	1.08	**0.20**
Water			
Total Water Consumption[18]	m^3	252.00	**705.86**
Total Water Consumption Intensity	m^3/m^2	0.16	**0.34**

9 Totals may not be the exact sum of numbers shown here due to rounding.

10 Unless otherwise specified, our environmental KPIs cover the office operations in Hong Kong, Shenzhen and Wuxi.

11 The Group's business operations did not involve fuel consumption during the Reporting Period, resulting in no significant generation of air emissions.

12 The intensity metric is based on the total floor area of our operating offices in Hong Kong, Shenzhen and Wuxi during the respective reporting year in this chapter, unless otherwise specified.

13 Greenhouse gas ("GHG") emissions data are presented in carbon dioxide equivalent ("CO2e") and with reference to the Global Warming Potential ("GWP") values from sources including but not limited to "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" published by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), "Appendix II: Reporting Guidance on Environmental Key Performance Indicators" issued by The Stock Exchange of Hong Kong Limited, and the "Sixth Assessment Report" published by the Intergovernmental Panel on Climate Change (IPCC).

14 The Group's business operations did not involve fuel consumption during the Reporting Period, resulting in no significant generation of Scope 1 GHG emissions.

15 Scope 2 emissions included indirect GHG emissions from the consumption of purchased electricity. The emission factor of purchased electricity for Hong Kong-based operations referenced the latest emission intensity published by CLP Power Hong Kong Limited; the emission factor for Chinese Mainland-based operations referenced the Ministry of Ecology and Environment of the People's Republic of China.

16 Due to the complexity of Scope 3 emissions and the wide range of categories they cover, current disclosures are limited to Category 5: waste generated during operations and Category 6: emissions from business travel (aviation) as defined in the Greenhouse Gas Accounting System. The adopted emission factors are referenced from the UK Department for Energy Security and Net Zero Emissions, and the Environmental Protection Department and the Electrical and Mechanical Services Department of the Hong Kong Special Administrative Region Government.

17 The amount of non-hazardous waste generated in the Reporting Period is estimated based on the daily volume of waste produced.

18 As the water supply of the Hong Kong office is completely controlled by the building management office and the building management office is unable to provide individual user and sub-meter data, the water consumption data is mainly based on that of the offices in Wuxi and Shenzhen. The water consumption of the Wuxi office is estimated based on the per capita water consumption designed by the property management, the water consumption of canteen is the actual usage.

SOCIAL

Indicator	Unit	FY2025	FY2026
Workforce			
Total Workforce[19]	Number of People	56	**59**
By Gender			
Male	Number of People	30	**33**
Female	Number of People	26	**26**
By Employment Type			
Full-time	Number of People	56	**59**
Part-time	Number of People	0	**0**
By Employee Category			
Senior Management	Number of People	8	**8**
Middle-Level Management	Number of People	11	**12**
General and Technical Staff	Number of People	37	**39**
By Age Group			
30 or below	Number of People	11	**11**
31-40	Number of People	26	**27**
41-50	Number of People	14	**15**
51 or above	Number of People	5	**6**
By Geographical Region			
Hong Kong	Number of People	20	**22**
Chinese Mainland	Number of People	36	**37**
Employee Turnover[19,20]			
Total Turnover	Number of People	4	**21**
Total Turnover Rate	%	7	**36**
By Gender			
Male	%	10	**36**
Female	%	4	**35**
By Age Group			
30 or below	%	0	**27**
31-40	%	12	**44**
41-50	%	0	**27**
51 or above	%	20	**33**

[19] The boundary of the total workforce, employee turnover and training data reported is in line with the scope of the Human Resources and Remuneration Policy under the section"Management Discussion and Analysis" in this annual report.

[20] Employee turnover rate refers to the total number of employee turnover of particular categories (i.e., gender, age group and geographical region) divided by the total number of employees of the corresponding category.

Indicator	Unit	FY2025	FY2026
By Geographical Region			
Hong Kong	%	5	**23**
Chinese Mainland	%	8	**43**
Health and Safety			
Work-Related Fatality	Number	0	**0**
Lost Day due to Work Injury	Day(s)	0	**25**
Employee Training[20,21]			
Total Training Hours	Hour(s)	106.0	**317.5**
Average Training Hours of Employees	Hour(s)	1.89	**5.38**
Percentage of Employees Trained	%	86	**95**
Average Training Hours by Gender			
Male	Hour(s)	2.10	**4.86**
Female	Hour(s)	1.65	**6.04**
Average Training Hours by Employee Category			
Senior Management	Hour(s)	2.06	**7.44**
Middle-Level Management	Hour(s)	1.45	**3.58**
General and Technical Staff	Hour(s)	1.99	**5.51**
Percentage of Employees Trained by Gender			
Male	%	90	**94**
Female	%	81	**96**
Percentage of Employees Trained by Employee Category			
Senior Management	%	75	**100**
Middle-Level Management	%	91	**92**
General and Technical Staff	%	86	**95**
Suppliers			
Hong Kong	Number	23	**22**
Chinese Mainland	Number	31	**105**
Products Responsibility			
Products and Service-Related Complaints	Cases	0	**0**
Products Sold or Shipped Subjected To Recalls for Safety and Health Reasons	%	0	**0**

[21] Average training hours refer to total training hours of particular categories (i.e., gender and employee categories) divided by the total number of employees of the corresponding category at the end of the respective reporting year. Percentage of employee trained refers to total number of employees trained of particular categories (i.e., gender and employee categories) divided by the total number of employees trained at the end of the respective reporting year.

SIGNIFICANT LAWS AND REGULATIONS

Aspect	Significant Laws and Regulations
Aspect A: Environmental	• Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong) • Environmental Protection Law of the People's Republic of China • Regulations on the Administration of Construction Project Environmental Protection • Atmospheric Pollution Prevention and Control Law of the People's Republic of China • Water Pollution Prevention and Control Law of the People's Republic of China • Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes • Energy Conservation Law of the People's Republic of China
Aspect B1: Employment Aspect B4: Labour Standards	• Employment Ordinance (Cap. 57 of the Laws of Hong Kong) • Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) • Social Insurance Law of the People's Republic of China • Labour Law of the People's Republic of China • Labour Contract Law of the People's Republic of China • Provisions on Prohibition of Child Labour • Civil Code of the People's Republic of China • Law of the People's Republic of China on the Protection of Women's Rights and Interests • Regulations of the Shenzhen Special Economic Zone on the Promotion of Gender Equality
Aspect B2: Health and Safety	• Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong) • Law of the People's Republic of China on the Prevention and Control of Occupational Diseases
Aspect B6: Product Responsibility	• Landlord and Tenant (Consolidation) Ordinance (Cap. 7 of the Laws of Hong Kong) • Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong) • Advertising Law of the People's Republic of China • Law of the People's Republic of China on the Protection of Consumer Rights and Interests • Copyright Law of the People's Republic of China • Patent Law of the People's Republic of China • Trademark Law of the People's Republic of China
Aspect B7: Anti-corruption	• Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong) • Anti-Unfair Competition Law of the People's Republic of China • Criminal Law of the People's Republic of China



HKEX'S LISTING RULES APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING GUIDE CONTENT INDEX

Subject area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Mandatory Disclosure Requirements		
Governance Structure		
A statement from the board containing the following elements: (i) a disclosure of the board's oversight of ESG issues; (ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues; and how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's business.	**Our Approach to Sustainability**	51
Reporting Principles		
A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report: Materiality: The ESG report should disclose: (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. Quantitative: 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. 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.	**Reporting Principles**	50
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	**Reporting Scope and Reporting Period**	50



Subject area, Aspects and Key Performance Indicators "Comply or Explain" Provisions		Chapter/Disclosure	Page
A. Environmental			
Aspect A1: Emissions			
General Disclosure		**Creating Value for the Environment; Significant Laws and Regulations**	57
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.			
KPI A1.1	The types of emissions and respective emissions data.	**Performance Data Summary – Environmental**	75
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	**Performance Data Summary – Environmental**	75
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	**There was no significant generation of hazardous waste during the Reporting Period.**	75
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	**Performance Data Summary – Environmental**	75
KPI A1.5	Description of emission target set and steps taken to achieve them.	**GHG Reduction and Energy Conservation;**	57
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	**Waste Management;**	58



Subject area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Aspect A2: Use of Resources		
General Disclosure	**Creating Value for the Environment**	57
Policies on the efficient use of resources, including energy, water, and other raw materials.		
KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	**Performance Data Summary – Environmental**	75
KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	**Performance Data Summary – Environmental**	75
KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	**GHG Reduction and Energy Conservation**	57
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.	**Conserving Water Resources**	58
KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	**The use of packaging material for finished products is not applicable to the Group's business.**	
Aspect A3: The Environment and Natural Resources		
General Disclosure	**The Environment and Natural Resources**	59
Policies on minimising the issuer's significant impact on the environment and natural resources.		
KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	**The Environment and Natural Resources**	59
Aspect A4: Climate Change		
General Disclosure	**N/A**	
[Repealed 1 January 2025]		
KPI A4.1 [Repealed 1 January 2025]	**N/A**	



Subject area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Social		
Aspect B1: Employment		
General Disclosure	**Creating Value for Our Employees; Significant Laws and Regulations**	66, 78
Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.		
KPI B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	**Performance Data Summary – Social**	76
KPI B1.2 Employee turnover rate by gender, age group and geographical region.	**Performance Data Summary – Social**	76
Aspect B2: Health and Safety		
General Disclosure	**Occupational Health and Safety; Significant Laws and Regulations**	67, 78
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.		
KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	**Performance Data Summary – Social; Occupational Health and Safety**	67, 76
KPI B2.2 Lost days due to work injury.	**Performance Data Summary – Social; Occupational Health and Safety**	67, 76
KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	**Occupational Health and Safety**	67



Subject area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Aspect B3: Development and Training		
General Disclosure	**Professional Training and Development**	67
Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.		
KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	**Performance Data Summary – Social**	76
KPI B3.2 The average training hours completed per employee by gender and employee category.	**Performance Data Summary – Social**	76
Aspect B4: Labour Standards		
General Disclosure	**Human Rights Protection; Significant Laws and Regulations**	67, 78
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.		
KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	**Human Rights Protection**	67
KPI B4.2 Description of steps taken to eliminate such practices when discovered.	**Human Rights Protection**	67
Aspect B5: Supply Chain Management		
General Disclosure	**Supply Chain Management; Green Procurement**	73
Policies on managing environmental and social risks of the supply chain.		
KPI B5.1 Number of suppliers by geographical region.	**Supply Chain Management; Performance Data Summary – Social**	73, 77
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.	**Supply Chain Management**	73
KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	**Supply Chain Management**	73
KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	**Supply Chain Management; Green Procurement**	73



Subject area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Aspect B6: Product Responsibility		
General Disclosure	**Creating Value for our Customers; Significant Laws and Regulations**	68, 78
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.		
KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	**Customer Satisfaction; Performance Data Summary – Social**	72, 77
KPI B6.2 Number of products and service related complaints received and how they are dealt with.	**Customer Satisfaction; Performance Data Summary – Social**	72, 77
KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	**Intellectual Property Rights**	72
KPI B6.4 Description of quality assurance process and recall procedures.	**Delivering Quality Services for our Customers; Customer Satisfaction**	72
KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	**Customer Data Protection**	72
Aspect B7: Anti-corruption		
General Disclosure	**Anti-corruption and Business Ethics; Significant Laws and Regulations**	73, 78
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.		
KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	**Anti-corruption and Business Ethics**	73
KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	**Anti-corruption and Business Ethics**	73
KPI B7.3 Description of anti-corruption training provided to directors and staff.	**Anti-corruption and Business Ethics**	73



Subject area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Aspect B8: Community Investment		
General Disclosure	**Creating Value for the Community**	74
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.		
KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	**Creating Value for the Community**	74
KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	**Creating Value for the Community**	74



CLIMATE-RELATED DISCLOSURE INDEX

Paragraph	Descriptions	The relevant sections or interpretation
Governance		
19(a)	Information about the issuer's: governance body(s) or individual(s) responsible for oversight of climate-related risks and opportunities, including:	Climate Change – Governance
19(a)(i)	how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Climate Change – Governance
19(a)(ii)	how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Climate Change – Governance
19(a)(iii)	how climate-related risks and opportunities are integrated into its strategy, major transactions, and risk management processes; and	Climate Change – Governance
19(a)(iv)	how the body(s) or individual(s) oversee and monitor progress toward targets related to climate-related risks and opportunities, including whether and how related performance metrics are included in remuneration policies.	The Group has not incorporated climate-related considerations into our remuneration policies.
19(b)	Information about the issuer's: management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Climate Change – Governance
19(b)(i)	whether the role is delegated to a specific management-level position or committee and how oversight is exercised; and	Climate Change – Governance
19(b)(ii)	whether management uses controls and procedures to support the oversight of climate-related risks and opportunities, and how they are integrated with other internal functions.	Climate Change – Governance



Paragraph	Descriptions	The relevant sections or interpretation
(II)	**Strategy**	
Climate-related risks and opportunities		
20(a)	Information about the issuer's climate-related risks and opportunities that could reasonably affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, it shall: describe climate-related risks and opportunities that could reasonably be expected to affect the issuer's cash flows, its access to finance or cost of capital over the short, medium or long term;	Climate Change – Strategy – Climate-related risk and opportunities
20(b)	explain, for each climate-related risk it has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	Climate Change – Strategy – Climate-related risk and opportunities
20(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Climate Change – Strategy – Climate-related risk and opportunities
20(d)	explain how the issuer defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	Climate Change – Strategy – Climate-related risk and opportunities
Business model and value chain		
21(a)	Information about the issuer's current and anticipated effects of climate-related risks and opportunities on the issuer's business model and value chain. Specifically, it shall disclose: a description of the current and anticipated effects of climate-related risks and opportunities on its business model and value chain; and	Climate Change – Strategy – Climate-related risk and opportunities
21(b)	a description of where in its business model and value chain climate-related risks and opportunities are concentrated.	Climate Change – Strategy – Climate-related risk and opportunities



Paragraph	Descriptions	The relevant sections or interpretation
Strategy and decision-making		
22(a)	Information about the issuer's climate-related risks and opportunities in its strategy and decision-making. Specifically, it shall disclose: information on how climate-related risks and opportunities are addressed in strategy and decision-making, including plans to meet voluntary and regulatory climate targets. Specifically, it shall disclose information about:	Climate Change – Strategy – Climate-related risk and opportunities
22(a)(i)	current and anticipated changes to the issuer's business model, including its resource allocation, to address climate-related risks and opportunities;	Climate Change – Strategy – Climate-related risk and opportunities
22(a)(ii)	its current and anticipated adaptation and mitigation efforts;	Climate Change – Strategy – Climate-related risk and opportunities
22(a)(iii)	its climate-related transition plan the issuer has or an appropriate negative statement where the issuer does not have a climate-related transition plan; and	The Group has not established a climate-related transition plan.
22(a)(iv)	how it plans to achieve any climate-related targets described in accordance with paragraphs 37 to 40	Climate Change – Strategy – Climate-related risk and opportunities
22(b)	information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).	The Group has not established detailed plans or allocated resources for adaptation, mitigation, transition initiatives, or climate targets.
23	Information about the issuer's progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a)	The Group has not disclosed plans for responding to climate-related risks and opportunities in previous reporting periods.



Paragraph	Descriptions	The relevant sections or interpretation
Financial position, financial performance and cash flows		
24(a)	Qualitative and quantitative information about: how the issuer's climate-related risks and opportunities have impacted its financial position, performance, and cash flows during the current period; and	The Group is currently refining the quantitative data for climate-related risks and opportunities.
24(b)	identify any climate-related factors that pose a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the upcoming reporting year.	
25(a)	Qualitative and quantitative information about: how the issuer's financial position is expected to change over the short, medium, and long term, specifically considering its investment and disposal plans and planned sources of funding to implement its climate strategy; and	The Group is currently refining the quantitative data for climate-related risks and opportunities.
25(b)	the anticipated changes to its financial performance and cash flows over the short, medium and long term.	
Climate resilience		
26(a)	Information about the issuer's understanding of the resilience of its strategy and business model to climate-related changes, developments and uncertainties, while considering its identified climate-related risks and opportunities. Specifically, it shall disclose information about: its assessment of its climate resilience as at the reporting date, which shall enable an understanding of:	Climate Change – Strategy – Climate resilience
26(a)(i)	the implications of its assessment for its strategy and business model;	Climate Change – Strategy – Climate resilience
26(a)(ii)	significant areas of uncertainty considered in its assessment of its climate resilience; and	Relevant information will be disclosed in the future once its accuracy can be fully verified.
26(a)(iii)	its capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term.	Climate Change – Strategy – Climate resilience



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



Paragraph	Descriptions	The relevant sections or interpretation
(III) Risk Management		
27(a)	Information about the issuer's: processes and related policies it uses to identify, assess, prioritize, and monitor climate-related risks, including information about:	Climate Change – Risk Management
27(a)(i)	the inputs and parameters the issuer uses (data sources and the scope of operations covered);	Climate Change – Risk Management
27(a)(ii)	whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;	Climate Change – Risk Management
27(a)(iii)	how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether qualitative factors, quantitative thresholds are considered);	Climate Change – Risk Management
27(a)(iv)	whether and how the issuer prioritises climate-related risks relative to other types of risks;	Climate Change – Risk Management
27(a)(v)	how the issuer monitors climate-related risks; and	Climate Change – Risk Management
27(a)(vi)	whether and how the issuer has changed the processes it uses compared with the previous reporting period;	Climate Change – Risk Management
27(b)	processes and related policies the issuer uses to identify, assess, prioritize, and monitor climate-related opportunities; and	The Group was currently refining the process and policies regarding climate-related opportunities.
27(c)	extent to which, and how, the processes for identifying, assessing, prioritizing, and monitoring climate-related risks and opportunities are integrated into and inform its overall risk management process.	Climate Change – Risk Management



Paragraph	Descriptions	The relevant sections or interpretation
(IV) Metrics and Targets		
Greenhouse gas emission		
28(a)	An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO2 equivalent, classified as: Scope 1 greenhouse gas emissions;	Climate Change – Metrics and Targets – Greenhouse gas emission
28(b)	Scope 2 greenhouse gas emissions; and	Climate Change – Metrics and Targets – Greenhouse gas emission
28(c)	Scope 3 greenhouse gas emissions.	Climate Change – Metrics and Targets – Greenhouse gas emission
29(a)	Information about the issuer's: greenhouse gas emissions in accordance with the Greenhouse Gas Protocol or other credible greenhouse gas accounting and reporting methods from a jurisdictional authority;	Climate Change – Metrics and Targets – Greenhouse gas emission
29(b)	approach to measure its greenhouse gas emissions;	Climate Change – Metrics and Targets – Greenhouse gas emission
29(b)(i)	the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;	Climate Change – Metrics and Targets – Greenhouse gas emission
29(b)(ii)	the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and	Climate Change – Metrics and Targets – Greenhouse gas emission
29(b)(iii)	any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Climate Change – Metrics and Targets – Greenhouse gas emission
29(c)	location-based Scope 2 greenhouse gas emissions, and information about any contractual instruments to define the scope of its Scope 2 greenhouse gas emissions (if any); and	Climate Change – Metrics and Targets – Greenhouse gas emission
29(d)	Scope 3 greenhouse gas emissions, and the categories included within its measure of Scope 3 greenhouse emissions, in accordance with the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	Climate Change – Metrics and Targets – Greenhouse gas emission



Paragraph	Descriptions	The relevant sections or interpretation
Climate-related transition risks		
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	The Group is currently refining the data for the quantification of assets and business activities exposed to climate-related risks and opportunities.
Climate-related physical risks		
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	The Group is currently refining the data for the quantification of assets and business activities exposed to climate-related risks and opportunities.
Climate-related opportunities		
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	The Group is currently refining the data for the quantification of assets and business activities exposed to climate-related risks and opportunities.
Capital deployment		
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	The Group is currently refining the data for the quantification of assets and business activities exposed to climate-related risks and opportunities.
Internal carbon prices		
34(a)	An issuer shall disclose: an explanation of whether and how the issuer is applying a carbon price in decision making (for example, investment decisions, transfer pricing, and scenario analysis);	The Group currently does not apply carbon pricing in our decision-making process.
34(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	



Paragraph	Descriptions	The relevant sections or interpretation
Remuneration		
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement.	The Group currently does not incorporate climate-related considerations into our remuneration policies.
Industry-based metrics		
36	Information about the issuer's disclosure of industry-based metrics that are related to one or more particular business models, activities or other common features that characterize participation in an industry.	The Group will consider increasing its disclosure content in accordance with these voluntary disclosure requirements in the future
Climate-related targets		
37(a)	An issuer shall disclose (a) the qualitative and quantitative climate-related targets set to monitor progress to achieve the goals; and (b) any targets the issuer is required to meet by law or regulation For each target, the issuer shall disclose: the metric used to set the target;	Not applicable concerning about the nature of the climate-related targets
37(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
37(c)	the part of the issuer to which the target applies (for example, if target applies to only a part of the issuer or not)	
37(d)	the period over which the target applies;	
37(e)	the base period from which progress is measured;	
37(f)	milestones or interim targets (if any);	
37(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	
37(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	



Paragraph	Descriptions	The relevant sections or interpretation
38(a)	An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress of each target, including: whether the target and the methodology for setting the target has been validated by a third party;	Not applicable concerning about the nature of the climate-related targets
38(b)	the issuer's processes for reviewing the target;	
38(c)	the metrics used to monitor progress towards reaching the target; and	
38(d)	any revisions to the target and an explanation for those revisions.	
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.	As the current reporting period marks our first year of setting the target, the relevant disclosure requirements are not applicable.
40(a)	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose: which greenhouse gases are covered by the target;	Not applicable concerning about the nature of the climate-related targets
40(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
40(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. (gross target is required when net target is disclosed)	
40(d)	whether the target was derived using a sectoral decarbonisation approach; and	



Paragraph	Descriptions	The relevant sections or interpretation
40(e)	the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:	
40(e)(i)	the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	
40(e)(ii)	which third-party scheme(s) will verify or certify the carbon credits;	
40(e)(iii)	the type of carbon credit (nature-based/technological carbon removals, carbon reduction/removal)	
40(e)(iv)	any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use.	



Forvis Mazars CPA Limited
富睿瑪澤會計師事務所有限公司
42nd Floor, Central Plaza
18 Harbour Road
Wanchai, Hong Kong
香港灣仔港灣道18號中環廣場42樓
Tel 電話 : +852 2909 5555
Fax 傳真 : +852 2810 0032
Email 電郵: info.hk@forvismazars.com
Website 網址: forvismazars.com/hk

To the members of
Novautek Technologies Group Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Novautek Technologies Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 103 to 180, which comprise the consolidated statement of financial position as at 30 June 2026, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2026, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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



KEY AUDIT MATTERS *(continued)*

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

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties *Relevant disclosures are made in notes 2, 14 and 23 to the consolidated financial statements.* As at 30 June 2026, the Group's investment properties measured at fair value and presented as non-current assets amounted to HK$286,386,000. In addition, certain investment properties amounted to HK$136,301,000 were presented within non-current assets classified as held for sales. The fair value of these investment properties was determined with reference to the valuation carried out by an independent professional valuer engaged by the management. We have identified valuation of investment properties, including those classified as held for sales, as a key audit matter because the balance is significant, the fair value decrease recognised during the year is substantial and their valuation involves significant judgements and estimates including the determination of valuation techniques and the selection of input data used in the valuation models.	Our audit procedures, among others, included: – Understanding and evaluating management's key controls over the fair value assessment process; – Evaluating the competence, capabilities and objectivity of the independent professional valuer; – Discussing with the independent professional valuer to understand the valuation methodologies and the key estimates and assumptions adopted; – Assessing the reasonableness of the significant assumptions adopted in the valuation; – Checking the accuracy and relevance of the key inputs used in the valuation; and – Challenging the judgement and estimates made by the management and the valuer regarding the factors considered during the assessment.



KEY AUDIT MATTERS *(continued)*

Key audit matters identified in our audit are summarised as follows: *(continued)*

Key audit matter	How our audit addressed the key audit matter
Net realisable value ("NRV") of properties held for sales ("PHS") *Relevant disclosures are made in notes 2 and 20 to the consolidated financial statements.* As at 30 June 2026, the Group had PHS amounting to approximately HK$47,304,000, which accounted for 8% of the Group's total assets. The Group's PHS are stated at the lower of cost and NRV. The NRV of PHS is assessed with reference to the valuation carried out by an independent professional valuer engaged by the management. We have identified the assessment of the NRV of the Group's PHS as a key audit matter because the balance is significant and its measurement involves significant estimation uncertainty and management judgement.	Our audit procedures, among others, included: – Understanding and evaluating the management's key controls over the NRV assessment process; – Assessing the appropriateness of the determination of NRV of the PHS by, on a sample basis, comparing the NRV to market prices achieved in the same projects or comparable properties, based on the current market development trend and regulations in the real estate industry and our knowledge of the Group's business with reference to the valuation report prepared by the independent professional valuer; – Evaluating the competence, capabilities and objectivity of the independent professional valuer; – Discussing with the independent professional valuer the valuation methodology and the key estimates and assumptions adopted in the valuation; – Assessing the management's process in estimating, if applicable, the estimated selling expenses for the PHS by comparing them, on a sample basis, to the actual cost and comparing the adjustments made by the management in the selling expenses for the sales of PHS; and – Challenging the judgement and estimates made by the management and the valuer regarding the factors considered during the assessment.



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2026 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

RESPONSIBILITIES OF 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 as issued by the HKICPA and the disclosure requirements of the Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (as amended), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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



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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.



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

We also provide those charged with governance 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 those charged with governance, 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.

Forvis Mazars CPA Limited
Certified Public Accountants
Hong Kong, 29 September 2026

The engagement director on the audit resulting in this independent auditor's report is:

KWOK, Yuen Man
Practising Certificate number: P04604



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Notes	2026 HK$'000	2025 HK$'000
Revenue	5	**30,984**	33,795
Cost of sales		**(16,146)**	(19,751)
Gross profit		**14,838**	14,044
Other revenue	5	**23**	60
Other income	6	**1,920**	16,380
Loss on disposal of non-current assets classified as held for sales		**(5,718)**	–
Net gain on disposal of financial assets at fair value through profit or loss ("FVPL")		**941**	15,093
Net decrease in fair value of financial assets at FVPL		**(18,078)**	(19,920)
Net (decrease) increase in fair value of investment properties	14	**(493,762)**	74,522
Impairment loss on non-current assets classified as held for sales		**(22,379)**	–
Impairment loss on properties held for sales	20	**(34,502)**	–
Selling expenses		**(9,665)**	(5,282)
Administrative expenses		**(25,667)**	(26,241)
Research and development expenses		**(5,582)**	(1,954)
Impairment loss on property, plant and equipment	15	**(13,371)**	(11,889)
Finance costs	8	**(7,027)**	(7,870)
(Loss) Profit before taxation	9	**(618,029)**	46,943
Taxation	10	**135,590**	(39,818)
(Loss) Profit for the year		**(482,439)**	7,125
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
– Exchange differences arising on translation of foreign operations		**24,916**	7,719
Total other comprehensive income for the year		**24,916**	7,719
Total comprehensive (loss) income for the year		**(457,523)**	14,844



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Notes	2026 HK$'000	2025 HK$'000
(Loss) Profit attributable to:			
Owners of the Company		**(479,574)**	9,046
Non-controlling interests		**(2,865)**	(1,921)
		(482,439)	7,125
Total comprehensive (loss) income attributable to:			
Owners of the Company		**(454,658)**	16,765
Non-controlling interests		**(2,865)**	(1,921)
		(457,523)	14,844
(Loss) Earnings per share	12		
Basic		**(15.70) HK cents**	0.30 HK cents
Diluted		**(15.70) HK cents**	0.30 HK cents



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Investment properties	14	**286,386**	855,815
Property, plant and equipment	15	**46,431**	57,315
Right-of-use assets	16	**403**	–
Designated FVOCI	17	**96**	96
		333,316	913,226
Current assets			
Inventories	19	**5,387**	2,854
Properties held for sales	20	**47,304**	105,125
Financial assets at FVPL	18	**17,918**	40,409
Other receivables	21	**32,510**	31,536
Restricted bank deposits	22	**24,228**	22,888
Cash and cash equivalents	22	**25,298**	70,198
		152,645	273,010
Non-current assets classified as held for sales	23	**136,301**	82,800
		288,946	355,810
Current liabilities			
Accounts and other payables	24	**131,928**	161,378
Interest-bearing borrowings	25	**150,498**	178,186
Tax payables		**2,514**	2,365
Lease liabilities	26	**273**	–
		285,213	341,929
Net current assets		**3,733**	13,881
Total assets less current liabilities		**337,049**	927,107



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	2026 HK$'000	2025 HK$'000
Non-current liabilities			
Deferred tax liabilities	29	**7,074**	139,731
Lease liabilities	26	**122**	–
		7,196	139,731
Net assets		**329,853**	787,376
Capital and reserves			
Share capital	27	**30,551**	30,551
Reserves		**305,527**	760,185
Equity attributable to owners of the Company		**336,078**	790,736
Non-controlling interests		**(6,225)**	(3,360)
Total equity		**329,853**	787,376

The consolidated financial statements on pages 103 to 180 were approved and authorised for issue by the Board of Directors on 29 September 2026 and signed on its behalf by:

Wu Zhanming
Director

Wang Chunsheng
Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Attributable to owners of the Company									
		Reserves								
	Share capital HK$'000	Share premium HK$'000 *(Note 28(a))*	Investment revaluation reserve (non-recycling) HK$'000 *(Note 28(b))*	Capital redemption reserve HK$'000 *(Note 28(c))*	Capital reserve HK$'000 *(Note 28(d))*	Translation reserve HK$'000 *(Note 28(e))*	Accumulated (losses) profit HK$'000	Total reserves HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 July 2025	**30,551**	**437,801**	**(476)**	**11,931**	**204,610**	**(30,946)**	**137,265**	**760,185**	**(3,360)**	**787,376**
Loss for the year	**–**	**–**	**–**	**–**	**–**	**–**	**(479,574)**	**(479,574)**	**(2,865)**	**(482,439)**
Other comprehensive income										
Item that may be reclassified subsequently to profit or loss										
Exchange differences arising on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**24,916**	**–**	**24,916**	**–**	**24,916**
Total other comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**24,916**	**–**	**24,916**	**–**	**24,916**
Total comprehensive (losses) incomes for the year	**–**	**–**	**–**	**–**	**–**	**24,916**	**(479,574)**	**(454,658)**	**(2,865)**	**(457,523)**
At 30 June 2026	**30,551**	**437,801**	**(476)**	**11,931**	**204,610**	**(6,030)**	**(342,309)**	**305,527**	**(6,225)**	**329,853**



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Attributable to owners of the Company									
		Reserves								
	Share capital HK$'000	Share premium HK$'000 *(Note 28(a))*	Investment revaluation reserve (non-recycling) HK$'000 *(Note 28(b))*	Capital redemption reserve HK$'000 *(Note 28(c))*	Capital reserve HK$'000 *(Note 28(d))*	Translation reserve HK$'000 *(Note 28(e))*	Accumulated profits HK$'000	Total reserves HK$'000	Non-controlling interests HK$'000	Total HK$'000
At 1 July 2024	30,551	437,801	(476)	11,931	204,610	(38,665)	125,924	741,125	856	772,532
Profit for the year	–	–	–	–	–	–	9,046	9,046	(1,921)	7,125
Other comprehensive income										
Item that may be reclassified subsequently to profit or loss										
Exchange differences arising on translation of foreign operations	–	–	–	–	–	7,719	–	7,719	–	7,719
Total other comprehensive income for the year	–	–	–	–	–	7,719	–	7,719	–	7,719
Total comprehensive incomes for the year	–	–	–	–	–	7,719	9,046	16,765	(1,921)	14,844
Transactions with owners:										
Contributions and distributions										
Changes in ownership interests in subsidiaries that do not result in a loss of control	–	–	–	–	–	–	2,295	2,295	(2,295)	–
At 30 June 2025	30,551	437,801	(476)	11,931	204,610	(30,946)	137,265	760,185	(3,360)	787,376



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	2026 HK$'000	2025 HK$'000
OPERATING ACTIVITIES		
(Loss) Profit before taxation	**(618,029)**	46,943
Adjustments for:		
Depreciation of property, plant and equipment	**2,645**	3,027
Depreciation of right-of-use assets	**278**	–
Finance costs	**7,027**	7,870
Impairment loss on property, plant and equipment	**13,371**	11,889
Impairment loss on non-current assets classified as held for sales	**22,379**	–
Impairment loss on properties held for sales	**34,502**	–
Interest income	**(23)**	(60)
Dividend income from financial assets at FVPL	**(28)**	(779)
Net gain on disposal of financial assets at FVPL	**(941)**	(15,093)
Loss on disposal of non-current assets classified as held for sales	**5,718**	–
Net decrease in fair value of financial assets at FVPL	**18,078**	19,920
Net decrease (increase) in fair value of investment properties	**493,762**	(74,522)
Reversal of provision for a legal claim	**–**	(14,569)
Write-off of property, plant and equipment	**7**	9
Operating cash flows before changes in working capital	**(21,254)**	(15,365)
Changes in working capital:		
Properties held for sales	**11,930**	24,691
Inventories	**(5,981)**	(3,256)
Other receivables	**(693)**	(5,860)
Restricted bank deposits	**(14)**	(214)
Accounts and other payables	**(21,286)**	(26,008)
Net cash used in operations	**(37,298)**	(26,012)
Interest paid	**(6,995)**	(8,707)
Tax paid	**(7)**	(137)
Net cash used in operating activities	**(44,300)**	(34,856)



CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Notes	2026 HK$'000	2025 HK$'000
INVESTING ACTIVITIES			
Dividend received		**28**	779
Interest received		**23**	60
Purchase of financial assets at FVPL		**(931)**	–
Purchase of property, plant and equipment		**(1,430)**	(4,882)
Proceeds from disposal of non-current assets classified as held for sales		**20,467**	–
Proceeds from disposal of financial assets at FVPL		**6,285**	79,608
Net cash from investing activities		**24,442**	75,565
FINANCING ACTIVITIES			
New other borrowings raised	30	**–**	3,279
Repayment of lease liabilities	30	**(318)**	–
Repayment of bank and other borrowings	30	**(28,241)**	(25,219)
Net cash used in financing activities		**(28,559)**	(21,940)
Net (decrease) increase in cash and cash equivalents		**(48,417)**	18,769
Cash and cash equivalents at the beginning of the reporting period		**70,198**	47,671
Effect on exchange rate changes		**3,517**	3,758
Cash and cash equivalents at the end of the reporting period	22	**25,298**	70,198



1. GENERAL

Novautek Technologies Group Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of its registered office and the principal place of business are disclosed in the section headed "Corporate Information" in the 2026 annual report of the Company.

The consolidated financial statements are presented in Hong Kong Dollar ("HK$"), which is the functional currency of the Company.

The Company acts as an investment holding company. The Company and its subsidiaries (collectively the "Group") are principally engaged in artificial intelligence ("AI") robots, property development, property investment and investment holding. The activities of the principal subsidiaries of the Company are set out in note 33(a) to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

All amounts have been rounded to the nearest thousand, unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2025 consolidated financial statements except for the adoption of the following new/revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year.

ADOPTION OF REVISED HKFRS ACCOUNTING STANDARDS

Amendments to HKAS 21: Lack of Exchangeability

The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

A summary of the principal accounting policies adopted by the Group is set out below:



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

GOING CONCERN

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the liquidity of the Group in light of the fact that the Group experienced a loss of approximately HK$482,439,000 for the year ended 30 June 2026. Interest-bearing borrowings of approximately HK$150,498,000 will be due for repayment within the next twelve months after 30 June 2026, whereas the Group only had bank balances and cash of approximately HK$25,298,000 as at 30 June 2026.

The directors of the Company are of the opinion that the Group will have sufficient working capital to finance its operations and to meet its financial obligations for at least the next twelve months from the date of approval of the consolidated financial statements, after taking into consideration the following measures and arrangements:

(i) The Group has been actively communicating and maintaining constructive dialogue with its bank and is in the process of amicable negotiation with the bank in respect of the repayment plans for renewal and extension of borrowings which are repayable during the year ending 30 June 2027;

(ii) The Group has been actively negotiated with various financial institutions and potential lenders to secure new financing arrangements to meet the Group's working capital and financial requirements. Subsequent to the end of the reporting period, on 18 September 2026, the Company successfully completed the issuance of convertible bonds in the aggregate principal amount of HK$33,000,000, raising net proceeds of approximately HK$32,570,000;

(iii) Since the previous financial year, the Group has been actively seeking buyers for certain investment properties located in Hong Kong. During the year ended 30 June 2026, the Group received aggregate net proceeds of approximately HK$20,467,000 from the disposal of investment properties. The Group intends to accelerate the disposal process and apply the proceeds towards the repayment of borrowings or the financing of its operations.

(iv) The Group will maintain a stable internal and external operating environment and plan a long-term goal for continuous operation. To achieve a balance of cash flow, the Group will plan and adjust the scale of business operations, formulate stable business goals, continue to maintain efficiency in operation management, improve product innovation capabilities, strengthen continuous operation capabilities and continue to improve the Group's main business profitability; and

Having regard to the cash flow projection of the Group, which are prepared assuming that the above measures are successful, the directors of the Company are of the opinion that, in the light of the measures taken to-date, together with the expected results of the other measures in progress, the Group will have sufficient funding resources to satisfy its future working capital and other financial requirements. The directors of the Company believe that the aforementioned measures will be successful, based on the continuous efforts put by the management of the Group.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

BASIS OF MEASUREMENT

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for investment properties, Designated FVOCI and financial assets at FVPL, which are measured at fair values as explained in the accounting policies set out below.

BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full. The results of subsidiaries are consolidated from the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Non-controlling interests are presented, separately from equity holders of the Company, in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. The non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, are measured initially either at fair value or at the present ownership instrument's proportionate share in the recognised amounts of the acquiree's identifiable net assets. This choice of measurement basis is made on an acquisition-by-acquisition basis.

Allocation of total comprehensive income

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

Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

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 retained interest determined at the date when control is lost and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests at the date when control is lost. The amounts previously recognised in other comprehensive income in relation to the disposed subsidiary are accounted for on the same basis as would be required if the parent had directly disposed of the related assets or liabilities. Any investment retained in the former subsidiary and any amounts owed by or to the former subsidiary are accounted for as a financial asset, associate, joint venture or others as appropriate from the date when control is lost.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

SUBSIDIARIES

A subsidiary is an entity that is controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

In the Company's statement of financial position which is presented within these notes, investments in subsidiaries are stated at cost less accumulated impairment losses. The carrying amount of the investments is reduced to its recoverable amount on an individual basis, if it is higher than the recoverable amount. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

INVESTMENT PROPERTIES

Investment properties are land and/or building that are held by owner to earn rental income and/or for capital appreciation. These include properties held for a currently undetermined future use, properties that are being constructed or developed for future use as investment properties and properties that are held under operating lease, which satisfy the definition of investment property and are carried at fair value.

Investment properties are stated at fair value at the end of the reporting period. Any gain or loss arising from a change in fair value is recognised in profit or loss. The fair value of investment property is based on a valuation by an independent valuer who holds a recognised professional qualification and has recent experience in the location and category of property being valued. The fair value reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing investment property under current market conditions, and is adjusted for separately recognised assets or liabilities to avoid double-counting assets or liabilities.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the item is derecognised.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

PROPERTY, PLANT AND EQUIPMENT *(continued)*

Depreciation is provided to write off the cost less accumulated impairment losses of property, plant and equipment over their estimated useful lives from the date on which they are available for use and after taking into account their estimated residual value, using the straight-line method at the following rates per annum. Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis and depreciated separately.

Land and buildings	Over the lease term
Leasehold improvements	20%
Furniture, fixtures and equipment	10% to 25%
Machineries	20% to 50%

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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents 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 of 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.

PROPERTIES HELD FOR SALES

Properties held for sales are stated at the lower of cost and net realisable value. Cost attributable to properties held for sales comprises mainly construction costs, cost of land use rights, borrowing costs and professional fees incurred during the development period. Net realisable value is determined with reference to sale proceeds received after the reporting period less selling expenses, or by estimates based on prevailing market condition.

NON-CURRENT ASSETS HELD FOR SALES

Assets and disposal groups are classified as held for sales if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Assets classified as held for sales are measured at the lower of their previous carrying amount and fair value less costs to sell.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred. Costs incurred on development activities, which involve the application of research findings to a plan or design for the production of new or substantially improved products and processes, are capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources to complete the development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred. When the asset is available for use, the capitalised development costs are amortised on a straight-line basis over a period which reflects the pattern in which the related economic benefits are recognised.

FINANCIAL INSTRUMENTS

Financial assets

Recognition and derecognition

Financial assets are recognised when and only when the Group becomes a party to the contractual provisions of the instruments and on a trade date basis.

A financial asset is derecognised when and only when (i) the Group's contractual rights to future cash flows from the financial asset expire or (ii) the Group transfers the financial asset and either (a) it transfers substantially all the risks and rewards of ownership of the financial asset, or (b) it neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but it does not retain control of the financial asset.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises the financial asset to the extent of its continuing involvement and an associated liability for amounts it may have to pay.

Classification and measurement

Financial assets (except for trade receivables without a significant financing component) are initially recognised at their fair value plus, in the case of financial assets not carried at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Such trade receivables are initially measured at their transaction price.

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at fair value through other comprehensive income ("Mandatory FVOCI"); (iii) Designated FVOCI; or (iv) measured at FVPL.

The classification of financial assets at initial recognition depends on the Group's business model for managing the financial assets and the financial asset's contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing them, in which case all affected financial assets are reclassified on the first day of the first annual reporting period following the change in the business model.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

***Financial assets** (continued)*

Classification and measurement (continued)

Derivatives embedded in a hybrid contract in which a host is an asset within the scope of HKFRS 9 are not separated from the host. Instead, the entire hybrid contract is assessed for classification.

1) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL:

(a) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses arising from impairment, derecognition or through the amortisation process are recognised in profit or loss.

The Group's financial assets at amortised cost include other receivables, restricted bank deposits and cash at banks and securities brokers.

2) Designated FVOCI

Upon initial recognition, the Group may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 applies in other comprehensive income. The classification is determined on an instrument-by-instrument basis.

These equity investments are subsequently measured at fair value and are not subject to impairment. Dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains or losses are recognised in other comprehensive income and shall not be subsequently reclassified to profit or loss. Upon derecognition, the cumulative gain or loss is transferred directly to accumulated profits or losses.

The Group's Designated FVOCI include listed equity securities.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

***Financial assets** (continued)*

Classification and measurement (continued)

3) Financial assets at FVPL

These investments include financial assets that are not measured at amortised cost or FVOCI, including financial assets held for trading, financial assets designated upon initial recognition as at FVPL and financial assets resulting from a contingent consideration arrangement in a business combination to which HKFRS 3 applies and financial assets that are otherwise required to be measured at FVPL. They are carried at fair value, with any resultant gain and loss recognised in profit or loss, which includes any dividend or interest earned on the financial assets. Dividend or interest income is presented separately from fair value gain or loss.

A financial asset is classified as held for trading if it is:

(a) acquired principally for the purpose of selling it in the near term;

(b) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or

(c) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

Financial assets are designated at initial recognition as at FVPL only if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

The Group's financial assets mandatorily measured at FVPL include listed equity securities, listed debt instruments and unlisted investment funds.

Financial liabilities

Recognition and derecognition

Financial liabilities are recognised when and only when the Group becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the relevant contract is discharged, cancelled or expires.

Classification and measurement

Financial liabilities are initially recognised at their fair value plus, in the case of financial liabilities not carried at FVPL, transaction costs that are directly attributable to the issue of the financial liabilities.

The Group's financial liabilities include accounts and other payables and interest-bearing borrowings. All financial liabilities are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

Impairment of financial assets and other items

The Group recognises loss allowances for expected credit losses ("ECL") on financial assets that are measured at amortised cost, lease receivables and Mandatory FVOCI to which the impairment requirements apply in accordance with HKFRS 9. Except for the specific treatments as detailed below, at each reporting date, the Group measures a loss allowance for a financial asset at an amount equal to the lifetime ECL if the credit risk on that financial asset has increased significantly since initial recognition. If the credit risk on a financial asset has not increased significantly since initial recognition, the Group measures the loss allowance for that financial asset at an amount equal to 12-month ECL.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument.

For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument while 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Where ECL is measured on a collective basis, the financial instruments are grouped based on the following one or more shared credit risk characteristics:

(a) past due information

(b) nature of instrument

(c) nature of collateral

(d) industry of debtors

(e) geographical location of debtors

Loss allowance is remeasured at each reporting date to reflect changes in the financial instrument's credit risk and loss since initial recognition. The resulting changes in the loss allowance are recognised as an impairment gain or loss in profit or loss with a corresponding adjustment to the carrying amount of the financial instrument.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

***Impairment of financial assets and other items** (continued)*

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that the Group may not receive the outstanding contractual amounts in full if the financial instrument meets any of the following criteria:

(a) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or

(b) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset 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.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument 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 in the assessment:

- the debtor's failure to make payments of principal or interest on the due dates;
- an actual or expected significant deterioration in the financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- actual or expected changes in the technological, market, economic or legal environment that have or may have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial instrument has increased significantly since initial recognition when contractual payments are more than 30 days past due.

Notwithstanding the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

***Impairment of financial assets and other items** (continued)*

Low credit risk

A financial instrument is determined to have low credit risk if:

(a) it has a low risk of default;

(b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and

(c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Simplified approach of ECL

For accounts receivables without a significant financing component or otherwise for which the Group applies the practical expedient not to account for the significant financing components, the Group applies a simplified approach in calculating ECL. The Group recognises a loss allowance based on lifetime ECL at each reporting date and has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Credit-impaired financial asset

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

(a) significant financial difficulty of the issuer or the borrower.

(b) a breach of contract, such as a default or past due event.

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

The Group writes off a financial asset when the Group has no reasonable expectations of recovering the contractual cash flows on a financial asset in its entirety or a portion thereof. The Group has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities under the Group's procedures for recovery of amounts due, taking into account legal advice if appropriate. Any subsequent recovery is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value, net of bank overdrafts. For classification in the statement of financial position, cash equivalents represent assets similar in nature to cash and which are not restricted as to use.

Revenue recognition

Rental income

Rental income under operating leases is recognised when the properties and the assets are let out and on the straight-line basis over the lease term. Variable lease payments that depend on an index or a rate are initially measured using the index or rate at the commencement date and subsequently adjusted when such index or rate changes. Other variable lease payments are recognised as income in the period in which the event or condition that triggers those payments occurs.

Dividend income

Dividend income from financial assets is recognised when the Group's rights to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Interest income

Interest income from financial assets is recognised using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the assets while it is applied to the amortised cost (i.e. the gross carrying amount net of loss allowance) in case of credit-impaired financial assets.

Revenue from contracts with customers within HKFRS 15

Revenue from contracts with customers is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides benefits which are received and consumed simultaneously by the customer;
- creates or enhances an asset that the customer controls as the Group performs; or
- does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the costs incurred up to the end of the reporting period as a percentage of total estimated costs for each performance obligation.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CASH EQUIVALENTS *(continued)*

Revenue recognition *(continued)*

Revenue from contracts with customers within HKFRS 15 (continued)

In determining the transaction price, the Group adjusts the promised amount of consideration for the effect of a financing component if it is significant. When the contract contains a significant financing component (i.e. the customer or the Group is provided with a significant benefit of financing the transfer of goods or services to the customer), in determining the transaction price, the Group adjusts the promised consideration for the effects of the time value of money. The effect of the significant financing component is recognised as an interest income or interest expense separately from revenue from contracts with customers in profit or loss.

For property sales contract for which the control of the property is transferred at a point in time, revenue is recognised when the customer obtains the right of physical possession or the legal title of the completed property.

The Group determines the interest rate that is commensurate with the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception by reference to, where appropriate, the interest rate implicit in the contract (i.e. the interest rate that discounts the cash selling price of the goods or services to the amount paid in advance or arrears), the prevailing market interest rates, the Group's borrowing rates and other relevant creditworthiness information of the customer of the Group.

Sale of AI robots and products is recognised at a point in time when the customer obtains the control of the product, which generally coincides with the time when the products are delivered to customers and the title is passed.

Management fee income is recognised over time when the relevant services have been rendered.

CONTRACT LIABILITIES

If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

For a single contract or a single set of related contracts, either a net contract asset or a net contract liability is presented. Contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

For the sale of properties, and AI robots, it is common for the Group to receive from the customer the whole or some of the contractual payments before the goods are delivered (i.e. the timing of revenue recognition for such transactions). The Group recognises a contract liability until it is recognised as revenue. During that period, any significant financing components, if applicable, will be included in the contract liability and will be expensed as accrued unless the interest expense is eligible for capitalisation.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FOREIGN CURRENCY TRANSLATION

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Company's functional currency is HK$.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses resulting from the retranslation of non-monetary items carried at fair value are recognised in profit or loss except for those arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the gains or losses are also recognised directly in equity.

The results and financial position of all the group entities that have a functional currency different from the presentation currency ("foreign operations") are translated into the presentation currency as follows:

– Assets and liabilities for each statement of financial position presented and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the reporting period.

– Income and expenses for each statement of comprehensive income are translated at average exchange rate.

– All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.

– On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.

– On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IMPAIRMENT OF OTHER ASSETS

At the end of each reporting period, the Group reviews internal and external sources of information to assess whether there is any indication that its property, plant and equipment may be impaired or impairment loss previously recognised no longer exists or may be reduced. If any such indication exists, the recoverable amount of the asset is estimated, based on the higher of its fair value less costs of disposal and value in use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest group of assets that generates cash flows independently (i.e. a cash-generating unit).

If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. Impairment losses are recognised as an expense in profit or loss immediately.

A reversal of impairment loss is limited to the carrying amount of the asset or cash-generating unit that would have been determined had no impairment loss been recognised in prior periods. Reversal of impairment loss is recognised as an income in profit or loss immediately.

BORROWINGS COSTS

Borrowings costs which are directly attributable to the acquisition, construction and production of qualifying assets, i.e. assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised as and included in finance costs in profit or loss in the period in which they are incurred.

EMPLOYEE BENEFITS

Short-term employee benefits

Salaries, annual bonuses, paid annual leave and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees.

Retirement benefit schemes

Payment to defined contribution retirement benefit schemes is charged as expenses when employees have rendered service entitling them to the contributions.

Details of the retirement benefit schemes are set out in note 34 to the consolidated financial statements.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

LEASES

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

As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. The Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises

(a) the amount of the initial measurement of the lease liability;

(b) any lease payments made at or before the commencement date, less any lease incentives received;

(c) any initial direct costs incurred by the Group; and

(d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful life of the right-of-use asset as follows:

Office premises	2-3 years

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

LEASES *(continued)*

***As lessee** (continued)*

The lease payments including in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate;

(c) amounts expected to be payable under residual value guarantees;

(d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

(e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

LEASES *(continued)*

***As lessee** (continued)*

A lease modification is accounted for as a separate lease if

(a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and

(b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

(a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.

(b) the Group determines the lease term of the modified contract.

(c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.

(d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.

(e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

As lessor

The Group classifies each of its leases as either a finance lease or an operating lease at the inception date of the lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. All other leases are classified as operating leases.

As lessor – operating lease

The Group applies the derecognition and impairment requirements in HKFRS 9 to the operating lease receivables.

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



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

TAXATION

The charge for current income tax is based on the results for the period as adjusted for items that are non-assessable or disallowed. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, any deferred tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences is not recognised.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, tax losses and credits can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

For the purpose of measuring deferred tax assets or liabilities 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.

RELATED PARTIES

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

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

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

RELATED PARTIES *(continued)*

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

(i) the entity and the Group are members of the same group (which means that each holding company, subsidiary and fellow subsidiary is related to the others).

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

(iii) both entities are joint ventures of the same third party.

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.

(vi) the entity is controlled or jointly controlled by a person identified in (a).

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a holding company of the entity).

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

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

(a) that person's children and spouse or domestic partner;

(b) children of that person's spouse or domestic partner; and

(c) dependants of that person or that person's spouse or domestic partner.

In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's chief operating decision maker for the purpose of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions concerning the future and judgements are made by the management in the preparation of the consolidated financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. Where appropriate, revisions to accounting estimates are recognised in the period of revision and future periods, in case the revision also affects future periods.

Key sources of estimation uncertainty

Revenue recognition from sale of properties at a point in time

Under HKFRS 15, control of the asset is transferred over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgement is required in determining whether the terms of the sales contracts with customers in relation to properties create an enforceable right to payment for the Group. The Group has considered the relevant local laws that apply to those sales contracts and opinion from external legal counsel. Based on the assessment of the Group's management, the terms of the relevant property sales contracts do not create an enforceable right to payment for the Group until the transfer of the control of the properties. Accordingly, the sale of properties is considered as performance obligation satisfied at a point in time.

Valuation of investment properties

The Group's investment properties are stated at fair value based on valuations performed by an independent professional valuer. The valuations are conducted on an open market basis using the direct comparison approach and the income approach, as appropriate. Under the direct comparison approach, the properties are valued assuming a sale with the benefit of vacant possession and by reference to comparable available sales evidence in the relevant market. Under the income approach, the properties are valued by capitalising rental income and taking into account their reversionary income potential.

In determining the fair value of investment properties, the valuer has applied, among other methods, the direct comparison approach by reference to the sales price of comparable properties in close proximity, adjusted for differences in key valuation attributes, such as size and age. In relying on the valuation report, management has exercised its judgement and was satisfied that the valuation methodologies and assumptions reflected the market conditions as at the end of the reporting period. Particulars of the investment properties of the Group are set out in note 14 to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Key sources of estimation uncertainty *(continued)*

Loss allowance for ECL

The Group's management estimates the loss allowance for loans and interest receivables and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of other receivables. Details of the key assumptions and inputs used in estimating ECL are set out in note 3(a) to the consolidated financial statements.

Net realisable value ("NRV") of properties held for sales ("PHS")

The Group assesses the NRV of PHS according to realisability of these properties and estimated net sales value on prevailing market conditions. Write-down to NRV is made when events or changes in circumstances indicate that the carrying amounts may not be realised (i.e. NRV is lower than the carrying amounts). The assessment requires the use of judgement and estimates.

The Group considers information from a variety of sources, including recent prices of similar properties in the same location and condition, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices and internal estimates such as future selling prices. The Group has also engaged an independent professional valuer to assess the NRV of the PHS. Particulars of the PHS of the Group are set out in note 20 to the consolidated financial statements.

Fair value measurements and valuation processes

Certain of the Group's financial assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, management of the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the Group engages third-party qualified valuers to perform the valuation. At the end of the reporting period, management of the Group works closely with the qualified external valuers to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. Management of the Group first considers and adopts Level 2 inputs where inputs can be derived from observable quoted prices in the active market. When Level 2 inputs are not available, management of the Group would adopt valuation techniques that include Level 3 inputs. Where there is a material change in the fair value of an asset or a liability, the causes of the fluctuations are reported to the directors of the Company for appropriate actions to be taken.

Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various financial assets and liabilities is disclosed in notes 3, 17 and 18 to the consolidated financial statements.



2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FUTURE CHANGES IN HKFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRS Accounting Standards that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments [1]
Annual Improvements to HKFRS Accounting Standards	Volume 11 [1]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity [1]
HKFRS 18	Presentation and Disclosure in Financial Statements [2]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures [2]
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency [2]
HKFRS 20	Regulatory Assets and Regulatory Liabilities [3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2026
[2] Effective for annual periods beginning on or after 1 January 2027
[3] Effective for annual periods beginning on or after 1 January 2029
[4] The effective date to be determined

HKFRS 18 *"Presentation and Disclosure in Financial Statements"*, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *"Presentation of Financial Statements"*. The application of HKFRS 18 may affect the presentation of the consolidated statement of comprehensive income and disclosures in the future consolidated financial statements. The directors of the Company are in the process of assessing the detailed impact of HKFRS 18 on the consolidated financial statements.

Save as disclosed above, the directors of the Company are of the opinion that the future adoption of the new/revised HKFRS Accounting Standards will not have material impact on the consolidated financial statements.

3. FINANCIAL INSTRUMENTS

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments include Designated FVOCI, financial assets at FVPL, other receivables, restricted bank deposits, cash and cash equivalents, accounts and other payables, and interest-bearing borrowings. Details of these financial instruments are disclosed in the respective notes to the consolidated financial statements. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.



3. FINANCIAL INSTRUMENTS *(continued)*

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Market risk

Foreign currency risk

The Group is exposed to foreign currency risk primarily on financial assets at FVPL. The currency giving rise to this risk is United States Dollar ("US$"). The Group does not hedge its foreign currency risks because the rate of exchange between HK$ and US$ is relatively stable under current market condition and the existing currency exchange policies adopted by the Government of Hong Kong Special Administrative Region.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's secured bank borrowings with floating interest rates as at the end of the reporting period. The interest rates and terms of repayment have been disclosed in note 25(a) to the consolidated financial statements. The Group currently does not have a policy to hedge against the interest rate risk as the management does not expect any significant interest rate risk as at the end of the reporting period.

At the end of the reporting period, if interest rates had been 259 *(2025: 435)* basis points higher/lower and all other variables were held constant, the Group's net loss *(2025: net profit)* would increase/decrease *(2025: decrease/increase)* by approximately HK$3,061,000 *(2025: approximately HK$6,065,000)*, but there would be no impact on the other equity reserves.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the secured bank borrowings in existence at that date. The 259 *(2025: 435)* basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period.

Price risk

The Group is exposed to equity price risk principally arising from listed equity securities held under financial assets at FVPL in the consolidated financial statements.

The sensitivity analysis has been determined based on the exposure to equity price risk. At the end of the reporting period, if the market price had been 5% *(2025: 35%)* higher/lower while all other variables were held constant, the Group's net loss *(2025: net profit)* would decrease/increase *(2025: increase/decrease)* by approximately HK$357,000 *(2025: approximately HK$6,086,000)* due to change in the fair value of investments. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2025.



3. FINANCIAL INSTRUMENTS *(continued)*

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk

The carrying amount of financial assets recognised on the consolidated statement of financial position, which is net of impairment losses, represents the Group's exposure to credit risk without taking into account the value of any collateral held or other credit enhancements.

The Group's credit risk is mainly attributable to restricted bank deposits, cash and cash equivalents, other receivables and loans and interest receivables.

Credit risk arising from other receivables

The Group considers that other receivables, except for those assessed as under or not performing, have low credit risk based on the debtors' strong capacity to meet their contractual cash flow obligations in the near term and the low risk of default.

At the end of the reporting period, the Group had a concentration risk as 79% *(2025: 81%)* and 86% *(2025: 88%)* of the total other receivables were made up by the Group's largest debtor and the five *(2025: five)* largest debtors' outstanding balances respectively.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for the debtors and the financial position of the counterparties by reference to, among others, their management or audited accounts, legal advice of claims from counterparty and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. No impairment losses have been provided for the years ended 30 June 2026 and 2025.



3. FINANCIAL INSTRUMENTS *(continued)*

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Credit risk arising from other receivables (continued)

Internal credit rating	Gross carrying amount	ECL	Loss allowance	Net carrying amount
	HK$'000		**HK$'000**	**HK$'000**
At 30 June 2026				
Performing *(Note (i))*	**24,758**	**12-month**	**–**	**24,758**
Underperforming *(Note (ii))*	**–**	**Lifetime**	**–**	**–**
Not performing *(Note (iii))*	**5,085**	**Lifetime**	**5,085**	**–**
	29,843		**5,085**	**24,758**
At 30 June 2025				
Performing *(Note (i))*	24,062	12-month	–	24,062
Underperforming *(Note (ii))*	–	Lifetime	–	–
Not performing *(Note (iii))*	4,800	Lifetime	4,800	–
	28,862		4,800	24,062

Notes:

(i) Performing (Normal credit quality) refers to other receivables that have not had a significant increase in credit risk and ECL in the next 12 months are recognised.

(ii) Underperforming (Significant increase in credit risk) refers to other receivables that have had a significant increase in credit risk and for which the lifetime ECL are recognised.

(iii) Not performing (Credit-impaired) refers to other receivables that have objective evidence of impairment and for which the lifetime ECL are recognised.

There was no change in the estimation techniques or significant assumptions made during the year.



3. FINANCIAL INSTRUMENTS *(continued)*

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Credit risk arising from other receivables (continued)

As at 30 June 2026, the Group recognised loss allowances of HK$5,085,000 *(2025: HK$4,800,000)* on its other receivables. The movements in the loss allowances for other receivables during the year are summarised below.

	12-month ECL	Lifetime ECL		Total
	Performing HK$'000	Under performing HK$'000	Not performing HK$'000	HK$'000
At 30 June 2026				
At the beginning of the reporting period	**–**	**–**	**4,800**	**4,800**
Exchange realignment	**–**	**–**	**285**	**285**
At the end of the reporting period	**–**	**–**	**5,085**	**5,085**
At 30 June 2025				
At the beginning of the reporting period	–	–	4,832	4,832
Exchange realignment	–	–	(32)	(32)
At the end of the reporting period	–	–	4,800	4,800

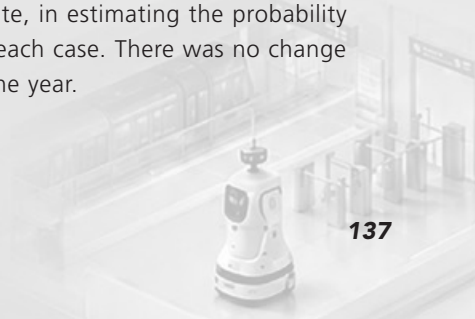
Credit risk arising from restricted bank deposits and cash and cash equivalents

Substantially all the Group's restricted bank deposits and cash and cash equivalents were deposited in creditworthy global banks and state-controlled financial institutions in the Chinese Mainland. Management considers that these counterparties have insignificant credit risks.

Credit risk arising from loans and interest receivables

The Group has a credit policy in place and exposures to credit risks are monitored on an ongoing basis. In order to minimise credit risk, the Group has other monitoring procedures to ensure that follow-up action is promptly taken to recover overdue debts.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for the borrowers and the financial position of the counterparties by reference to, among others, their management or audited accounts and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. There was no change in the estimation techniques or significant assumptions made during the year.



3. FINANCIAL INSTRUMENTS *(continued)*

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Credit risk *(continued)*

Credit risk arising from loans and interest receivables (continued)

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of the three categories of internal credit rating. The information about the ECL for loans and interest receivables as at 30 June 2026 is summarised below. No impairment loss (Note 21(b)) was recognised in profit or loss during the years ended 30 June 2026 and 2025.

Internal credit rating	Gross carrying amount	ECL	Loss allowances	Net carrying amount
	HK$'000		HK$'000	HK$'000
At 30 June 2026				
Performing *(Note (i))*	**–**	**12-month**	**–**	**–**
Underperforming *(Note (ii))*	**–**	**Lifetime**	**–**	**–**
Not performing *(Note (iii))*	**19,394**	**Lifetime**	**19,394**	**–**
	19,394		**19,394**	**–**
At 30 June 2025				
Performing *(Note (i))*	–	12-month	–	–
Underperforming *(Note (ii))*	–	Lifetime	–	–
Not performing *(Note (iii))*	19,394	Lifetime	19,394	–
	19,394		19,394	–

Notes:

(i) Performing (Normal credit quality) refers to loans that have not had a significant increase in credit risk and ECL in the next 12 months are recognised.

(ii) Underperforming (Significant increase in credit risk) refers to loans that have had a significant increase in credit risk and for which the lifetime ECL are recognised.

(iii) Not performing (Credit-impaired) refers to loans that have objective evidence of impairment and for which the lifetime ECL are recognised.



3. FINANCIAL INSTRUMENTS *(continued)*

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through facilities available from bank. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants.

The maturity profile of the financial liabilities of the Group at the end of the reporting period based on the remaining contractual undiscounted payments is summarised below:

	On demand or less than 1 year HK$'000	Between 1 and 5 years HK$'000	Total contractual undiscounted cash flows HK$'000	Total carrying amount HK$'000
At 30 June 2026				
Accounts and other payables	**93,271**	**–**	**93,271**	**93,271**
Interest-bearing borrowings	**150,498**	**–**	**150,498**	**150,498**
Lease liabilities	**288**	**125**	**413**	**395**
	244,057	**125**	**244,182**	**244,164**
At 30 June 2025				
Accounts and other payables	123,153	–	123,153	123,153
Interest-bearing borrowings	178,186	–	178,186	178,186
	301,339	–	301,339	301,339

(b) FAIR VALUE MEASUREMENTS

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 13, *Fair Value Measurement*, with the fair value measurement categorised in its entirety based on the lowest level of input that is significant to the entire measurement. The levels of inputs are defined as follows:

- Level 1 (highest level): quoted prices (unadjusted) in active markets for identical financial instruments that the Group can access at the measurement date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the financial instruments, either directly or indirectly;
- Level 3 (lowest level): unobservable inputs for the financial instruments.



3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(i) Financial assets measured at fair value

	Notes	**Total HK$'000**	**Level 1 HK$'000**	**Level 2 HK$'000**	**Level 3 HK$'000**
At 30 June 2026					
Designated FVOCI:					
Listed in Hong Kong					
– equity securities	17	**96**	**96**	**–**	**–**
Financial assets at FVPL:					
Unlisted investment funds	18(a)	**9,377**	**–**	**–**	**9,377**
Listed equity securities					
– Hong Kong	18(b)	**8,541**	**8,541**	**–**	**–**
		17,918	**8,541**	**–**	**9,377**

	Notes	Total HK$'000	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
At 30 June 2025					
Designated FVOCI:					
Listed in Hong Kong					
– equity securities	17	96	96	–	–
Financial assets at FVPL:					
Unlisted investment funds	18(a)	17,962	–	3,090	14,872
Listed equity securities					
– Hong Kong	18(b)	19,584	19,584	–	–
– The Chinese Mainland	18(b)	709	709	–	–
– Overseas	18(b)	531	531	–	–
Listed debt instruments					
– Hong Kong		1,152	1,152	–	–
– Overseas		471	471	–	–
		40,409	22,447	3,090	14,872



3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(i) Financial assets measured at fair value (continued)

The details of the movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 30 June 2026 and 2025 are as follows:

Movements in Level 3 fair value measurements

	Financial assets at FVPL	
	2026	2025
	HK$'000	HK$'000
At the beginning of the reporting period	**14,872**	71,724
Transfer to Level 2	**–**	(3,090)
Proceeds from disposal of financial assets at FVPL	**–**	(68,797)
Recognised in profit or loss:		
Gain on disposal of financial assets at FVPL	**–**	13,165
(Decrease) Increase in fair value of financial assets at FVPL (*)	**(5,495)**	1,870
At the end of the reporting period	**9,377**	14,872

* The amount of approximately HK$5,495,000 *(2025: HK$1,870,000)* of fair value loss *(2025: gain)* on financial assets at FVPL included in unrealised loss *(2025: gain)* recognised in profit or loss was attributable to balances held at the end of the reporting period.



3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(i) Financial assets measured at fair value (continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurements

The quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurements, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at 30 June		Valuation techniques	Unobservable inputs	Sensitivity of fair value to changes in unobservable inputs
	2026 HK$'000	2025 HK$'000			
Financial assets at FVPL					
Unlisted investment funds					
– Other unlisted investment funds	**6,482**	6,326	Trending analysis	Market capitalisation/ Market indices	If the market capitalization/ market indices increased/ decreased by **10%** *(2025: 10%)*, the fair value of the unlisted investment funds would increase/decrease by **HK$648,000** *(2025: HK$633,000)*.
– Green Asia Funds *(as defined in note 18(a))*	**2,895**	8,546	Net asset value at the end of reporting period	Recovery rate of underlying financial assets	If the recovery rate increased/ decreased by **5%** *(2025: 5%)*, the fair value of Green Asia Funds would increase/decrease by **HK$145,000** *(2025: HK$427,000)*.



3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(ii) Investment properties measured at fair value

	Notes	Total HK$'000	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000
At 30 June 2026					
Investment properties	14	**286,386**	**–**	**–**	**286,386**
At 30 June 2025					
Investment properties	14	855,815	–	–	855,815

As mentioned in note 14 to the consolidated financial statements, the Group has engaged independent professional valuer to assess the fair value of its investment properties at the end of the reporting period. In measuring the fair value of the investment properties located in Hong Kong and the Chinese Mainland as at 30 June 2026, the direct comparison approach and income approach had been adopted respectively, which was consistent with the approach adopted in 2025. During the years ended 30 June 2026 and 2025, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

During the year ended 30 June 2026, properties held for sales with carrying value of HK$Nil *(2025: HK$452,164,000)* were transferred to investment properties which were categorised as Level 3 fair value measurements. In addition, investment properties with carrying value of approximately HK$102,065,000 *(2025: HK$82,800,000)* were transferred to non-current assets classified as held for sales.

The movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 30 June 2026 and 2025 are as follows:

Movements in Level 3 fair value measurements

	Investment properties	
	2026 HK$'000	2025 HK$'000
At the beginning of the reporting period	**855,815**	407,624
Transfer from properties held for sales *(note 20)*	**–**	452,164
Transfer to non-current assets classified as held for sales *(note 23)*	**(102,065)**	(82,800)
(Decrease) Increase in fair value	**(493,762)**	74,522
Exchange difference	**26,398**	4,305
At the end of the reporting period	**286,386**	855,815

3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(ii) Investment properties measured at fair value (continued)

Quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurements

The quantitative information of the significant unobservable inputs and description of valuation techniques used in Level 3 fair value measurements, including the description of the sensitivity to changes in unobservable inputs for recurring Level 3 fair value measurements, are as follows:

Description	Fair value at 30 June		Valuation techniques	Unobservable inputs	Sensitivity of fair value to changes in unobservable inputs
	2026	2025			
	HK$'000	HK$'000			
Investment properties at fair value					
Investment properties located in Hong Kong	**N/a**	121,900	Direct comparison approach	N/a *(2025: Market unit rate between HK$29,000/sq.ft. to HK$32,000/sq.ft)*	If the market unit rate increased/decreased, the fair value of investment properties would increase/decrease.
Investment properties located in the Chinese Mainland	**286,386**	733,915	Income approach	Market yields between 6.1% to 6.6% *(2025: 5.25% to 5.5%)*	If the market yields increased/decreased, the fair value of investment properties would decrease/increase.



3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(iii) Financial assets and liabilities not measured at fair value

The carrying amounts of the financial assets and liabilities of the Group carried at amounts other than fair values are not materially different from their fair values at the end of the reporting period.

The carrying amounts of each of the following categories of financial assets and financial liabilities are set out as follows:

	2026	2025
	HK$'000	HK$'000
Financial assets measured at amortised cost:		
Other receivables (excluding prepayments)	**30,385**	27,715
Restricted bank deposits	**24,228**	22,888
Cash and cash equivalents	**25,298**	70,198
	79,911	120,801
Financial liabilities measured at amortised cost:		
Accounts and other payables (excluding deposits received, contract liabilities and provision for a legal claim)	**93,271**	123,153
Interest-bearing borrowings	**150,498**	178,186
Lease liabilities	**395**	–
	244,164	301,339

4. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure, to reduce the cost of capital and to support the Group's stability and growth.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or return capital to shareholders. No changes were made in the objectives, policies or processes during the years ended 30 June 2026 and 2025.



5. REVENUE

	2026	2025
	HK$'000	HK$'000
Revenue		
Revenue from contracts with customers within HKFRS 15:		
Sale of properties in the Chinese Mainland, at a point in time and at fixed price	**12,650**	19,794
Sale of AI robots and products, at a point in time and at fixed price	**7,130**	351
Management fee income from investment properties, over time and at fixed price	**818**	542
	20,598	20,687
Revenue from other sources:		
Gross rental income from investment properties	**8,315**	11,271
Gross rental income from property, plant and equipment	**2,043**	1,058
Dividend income from financial assets at FVPL	**28**	779
	10,386	13,108
	30,984	33,795
Other revenue		
Bank interest income	**21**	58
Other interest income	**2**	2
	23	60
	31,007	33,855

6. OTHER INCOME

	Note	2026	2025
		HK$'000	HK$'000
Management fee income		**1,563**	1,627
Reversal of provision for a legal claim	24(c)	**–**	14,569
Sundry income		**357**	184
		1,920	16,380



7. SEGMENT INFORMATION

Management identifies operating segments based on internal reports that are regularly reviewed by the chief operating decision makers, who are the executive directors of the Company, for the purposes of allocating resources to segments and assessing their performance. The executive directors of the Company consider AI robots, property development, property investment and investment holding are the Group's major operating segments. The AI robots segment includes sale, lease out and development of AI robots and products which provide cleaning, patrol, distribution and transportation services, etc. The property development segment includes properties held for sales during the year. The property investment segment includes mainly commercial properties that are held for capital appreciation or earning rental income. The investment holding segment includes holding of investment funds, equity securities, debt instruments and other assets. No operating segments have been aggregated.

Segment revenue and results for the year ended 30 June 2026 are presented below:

	AI robots HK$'000	Property development HK$'000	Property investment HK$'000	Investment holding HK$'000	Total HK$'000
Revenue	**9,173**	**12,650**	**9,133**	**28**	**30,984**
Other revenue and income	**4**	**375**	**1,248**	**1**	**1,628**
	9,177	**13,025**	**10,381**	**29**	**32,612**
Results					
Segment results	**(15,538)**	**(39,684)**	**(516,282)**	**(17,576)**	**(589,080)**
Unallocated corporate income					**315**
Unallocated corporate expenses					**(22,237)**
Finance costs					**(7,027)**
Loss before taxation					**(618,029)**
Taxation					**135,590**
Loss for the year					**(482,439)**



7. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities as at 30 June 2026 and other segment information for the year ended 30 June 2026 are presented below:

	AI robots HK'000	Property development HK$'000	Property investment HK$'000	Investment holding HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Assets	**26,336**	**89,189**	**462,343**	**41,542**	**619,410**	**2,852**	**622,262**
Liabilities	**(1,550)**	**(71,361)**	**(211,260)**	**(130)**	**(284,301)**	**(8,108)**	**(292,409)**
Other segment information:							
Non-current assets classified as held for sales *(note 23)*	–	–	**136,301**	–	**136,301**	–	**136,301**
Interest expenses on interest-bearing borrowings	–	–	–	–	–	**(6,995)**	**(6,995)**
Additions to property, plant and equipment	**688**	**737**	–	**5**	**1,430**	–	**1,430**
Depreciation of property, plant and equipment	**(516)**	**(159)**	–	**(16)**	**(691)**	**(1,954)**	**(2,645)**
Depreciation of right-of-use assets	**(278)**	–	–	–	**(278)**	–	**(278)**
Net gain on disposal of financial assets at FVPL	–	–	–	**941**	**941**	–	**941**
Loss on disposal of non-current assets classified as held for sale	–	–	**(5,718)**	–	**(5,718)**	–	**(5,718)**
Net decrease in fair value of financial assets at FVPL	–	–	–	**(18,078)**	**(18,078)**	–	**(18,078)**
Net decrease in fair value of investment properties	–	–	**(493,762)**	–	**(493,762)**	–	**(493,762)**
Impairment loss on non-current assets classified as held for sales	–	–	**(22,379)**	–	**(22,379)**	–	**(22,379)**
Impairment loss on property held for sales	–	**(34,502)**	–	–	**(34,502)**	–	**(34,502)**
Impairment loss on property, plant and equipment	–	–	–	–	–	**(13,371)**	**(13,371)**
Write-off of property, plant and equipment	–	–	–	–	–	**(7)**	**(7)**



7. SEGMENT INFORMATION *(continued)*

Segment revenue and results for the year ended 30 June 2025 are presented below:

	AI robots HK$'000	Property development HK$'000	Property investment HK$'000	Investment holding HK$'000	Total HK$'000
Revenue	1,409	19,794	11,813	779	33,795
Other revenue and income	–	14,783	1,337	30	16,150
	1,409	34,577	13,150	809	49,945
Results					
Segment results	(10,735)	13,543	79,168	(6,446)	75,530
Unallocated corporate income					290
Unallocated corporate expenses					(21,007)
Finance costs					(7,870)
Profit before taxation					46,943
Taxation					(39,818)
Profit for the year					7,125



7. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities as at 30 June 2025 and other segment information for the year ended 30 June 2025 are presented below:

	AI robots HK$'000	Property development HK$'000	Property investment HK$'000	Investment holding HK$'000	Segment total HK$'000	Unallocated HK$'000	Total HK$'000
Assets	11,540	141,415	941,564	119,425	1,213,944	55,092	1,269,036
Liabilities	(1,010)	(89,384)	(380,668)	(200)	(471,262)	(10,398)	(481,660)
Other segment information:							
Non-current assets classified as held for sales *(note 23)*	–	–	82,800	–	82,800	–	82,800
Interest expenses on interest-bearing borrowings	–	–	–	–	–	(7,870)	(7,870)
Additions to property, plant and equipment	267	4,593	–	10	4,870	12	4,882
Depreciation of property, plant and equipment	(178)	(68)	–	(14)	(260)	(2,767)	(3,027)
Net gain on disposal of financial assets at FVPL	–	–	–	15,093	15,093	–	15,093
Net decrease in fair value of financial assets at FVPL	–	–	–	(19,920)	(19,920)	–	(19,920)
Net increase in fair value of investment properties	–	–	74,522	–	74,522	–	74,522
Reversal of provision for a legal claim	–	14,569	–	–	14,569	–	14,569
Impairment loss on property, plant and equipment	–	–	–	–	–	(11,889)	(11,889)
Write-off of property, plant and equipment	–	–	–	–	–	(9)	(9)

There was no revenue generated from inter-segment transactions for both years. Revenue from property development segment reported above represents sale of properties in the Chinese Mainland to external customers. Revenue from the property investment segment and AI robots segment reported above represents rental income earned from and sale of AI robots and products to external customers. Segment results represent profit or loss attributable to each segment without allocation of corporate income, central administration expenses, finance costs and income tax expenses. Total assets and liabilities represent all assets and liabilities under each segment together with unallocated corporate assets and liabilities other than those that have been eliminated on consolidation.

All assets are allocated to the operating and reportable segments except for certain property and equipment of self-occupied properties, certain other receivables and certain cash and cash equivalents.



7. SEGMENT INFORMATION *(continued)*

GEOGRAPHICAL INFORMATION

The Group's operations are principally located in Hong Kong, the Chinese Mainland (other than Hong Kong), Middle East, Europe and Southeast Asia.

The following table provides an analysis of the Group's revenue from external customers by geographical market. For interest income from financial assets at FVPL, the analysis is based on the location of the markets of the respective investments.

	Revenue by geographical market	
	2026	2025
	HK$'000	HK$'000
Hong Kong	**11,170**	7,265
The Chinese Mainland	**18,915**	26,179
Middle East	**90**	180
Europe	**47**	–
Southeast Asia	**311**	171
Others	**451**	–
	30,984	33,795

The following is an analysis of the carrying amounts of non-current assets by geographical area in which the assets are located:

	Carrying amounts of non-current assets	
	2026	2025
	HK$'000	HK$'000
Hong Kong	**41,901**	174,911
The Chinese Mainland	**291,319**	738,219
	333,220	913,130

Non-current assets presented above exclude financial assets and other receivables. The Group does not have net deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

INFORMATION ABOUT MAJOR CUSTOMERS

Sale of properties in the Chinese Mainland to an external customer contributed 11% of the revenue of the Group during the year ended 30 June 2026.

Other than the above, there were no external customers contributed 10% or more of the revenue of the Group during the years ended 30 June 2026 and 2025.



8. FINANCE COSTS

	2026 HK$'000	2025 HK$'000
Interest expenses on bank and other borrowings	**6,995**	7,870
Interest expenses on finance lease	**32**	–
	7,027	7,870

9. (LOSS) PROFIT BEFORE TAXATION

This is stated after charging:

	2026 HK$'000	2025 HK$'000
Staff costs, including directors' emoluments		
Salaries and other benefits	**23,030**	18,427
Retirement benefit scheme contributions	**1,482**	1,101
Total staff costs	**24,512**	19,528
Other items		
Auditor's remuneration		
– Audit service	**920**	920
– Non-audit related service	**135**	138
Cost of inventories	**13,619**	14,114
Depreciation of property, plant and equipment	**2,645**	3,027
Depreciation of right-of-use assets	**278**	–
Direct operating expenses relating to investment properties that did not generate rental income	**509**	318
Exchange losses, net	**249**	177
Reversal of provision for a legal claim *(note 24(c))*	**–**	(14,569)
Impairment loss on property, plant and equipment	**13,371**	11,889
Write-off of property, plant and equipment	**7**	9



10. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for tax purpose for both years.

The Chinese Mainland Enterprise Income Tax ("EIT") in respect of operations in the Chinese Mainland is calculated at a rate 25% *(2025: 25%)* on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof. For the years ended 30 June 2026 and 2025, EIT had not been provided as the Group incurred a loss for tax purposes.

The Chinese Mainland Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax expense. LAT paid is a deductible expense for EIT purposes.

	2026	2025
	HK$'000	HK$'000
The net tax comprises:		
Current year		
LAT	**194**	279
Deferred taxation		
(Reversal of) Provision for temporary differences *(note 29)*	**(135,784)**	39,539
Tax (credit) expenses for the year	**(135,590)**	39,818

Reconciliation of tax expenses

	2026	2025
	HK$'000	HK$'000
(Loss) Profit before taxation	**(618,029)**	46,943
Income tax at application tax rate	**(143,496)**	14,890
Tax effect of expenses not deductible in determining taxable profit	**11,845**	17,799
Tax effect of income not taxable in determining taxable profit	**(168)**	(2,636)
Unrecognised tax losses	**10,813**	7,218
Utilisation of previously unrecognised tax losses	**(1,304)**	(3,945)
Unrecognised temporary differences	**(13,920)**	5,366
LAT	**194**	279
EIT effect of LAT	**(49)**	(70)
Others	**495**	917
Tax (credit) expenses for the year	**(135,590)**	39,818

The applicable tax rate is the weighted average of rates prevailing in the territories in which the Group entities operate.



11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) DIRECTORS' EMOLUMENTS

For the years ended 30 June 2026 and 2025, the emoluments paid or payable to directors were as follows:

	Wu Zhanming HK$'000	Wu Tao HK$'000	Wang Chunsheng HK$'000 *(Note v)*	Zhu Xinhui HK$'000 *(Note ii)*	Yu Tat Chi, Michael HK$'000 *(Note iv)*	Yang Ye HK$'000 *(Note i)*	Jiang Pengzhi HK$'000 *(Note i)*	Tsang Fung Chu HK$'000 *(Note iii)*	Chan Kin Keung, Eugene HK$'000	Total HK$'000
Year ended 30 June 2026										
Fees	**240**	**161**	**79**	**–**	**–**	**240**	**240**	**240**	**111**	**1,311**
Other emoluments										
Salaries and other benefits	**1,032**	**506**	**351**	**–**	**–**	**–**	**–**	**–**	**–**	**1,889**
Retirement benefit scheme contributions	**18**	**12**	**6**	**–**	**–**	**–**	**–**	**–**	**–**	**36**
Total emoluments	**1,290**	**679**	**436**	**–**	**–**	**240**	**240**	**240**	**111**	**3,236**
Year ended 30 June 2025										
Fees	240	240	–	49	119	192	192	121	240	1,393
Other emoluments										
Salaries and other benefits	1,032	752	–	–	–	–	–	–	–	1,784
Discretionary bonus	106	86	–	–	–	–	–	–	–	192
Retirement benefit scheme contributions	18	18	–	–	–	–	–	–	–	36
Total emoluments	1,396	1,096	–	49	119	192	192	121	240	3,405

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

(a) DIRECTORS' EMOLUMENTS *(continued)*

Notes:

(i) On 13 September 2024, Mr. Jiang Pengzhi and Mr. Yang Ye were appointed as independent non-executive directors of the Company.

(ii) On 13 September 2024, Mr. Zhu Xinhui resigned as an independent non-executive director of the Company.

(iii) On 30 December 2024, Ms. Tsang Fung Chu was appointed as an independent non-executive director of the Company.

(iv) On 30 December 2024, Mr. Yu Tat Chi, Michael resigned as an independent non-executive director of the Company.

(v) On 3 March 2026, Mr. Wang Chunsheng was appointed as an executive director of the Company.

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 30 June 2026 and 2025. In addition, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as a compensation for loss of office for the years ended 30 June 2026 and 2025.

(b) EMPLOYEES' EMOLUMENTS

The five highest paid individuals included two directors* *(2025: one director)* of the Company, details of whose emoluments are set out in (a) above. The emoluments of the remaining three *(2025: four)* individuals are as follows:

	2026	2025
	HK$'000	HK$'000
Salaries and other benefits	**3,273**	4,871
Discretionary bonus	**189**	1,277
Retirement benefits scheme contributions	**54**	72
	3,516	6,220

The three *(2025: four)* highest paid individuals' remuneration falls within the following bands:

	Number of employees	
	2026	2025
Nil to HK$1,000,000	**–**	–
HK$1,000,001 to HK$1,500,000	**3**	4

During the years ended 30 June 2026 and 2025, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as a compensation for loss of office. During the years ended 30 June 2026 and 2025, none of the highest paid individuals waived or agreed to waive any emoluments.

* One of the directors was previously an employee before being appointed as a director of the Company on 3 March 2026.

12. (LOSS) EARNINGS PER SHARE

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

	2026	2025
	HK$'000	HK$'000
(Loss) Earnings for the year attributable to owners of the Company, for the purposes of calculating basic (loss) earnings per share	**(479,574)**	9,046

	2026	2025
	No. of shares	No. of shares
Weighted average number of ordinary shares for the purposes of calculating basic (loss) earnings per share	**3,055,105,739**	3,055,105,739

For the years ended 30 June 2026 and 2025, diluted (loss) earnings per share is the same as basic (loss) earnings per share. The Company did not have any dilutive potential ordinary shares during the years ended 30 June 2026 and 2025.

13. DIVIDENDS

The Board does not recommend the payment of a dividend for the years ended 30 June 2026 and 2025.

14. INVESTMENT PROPERTIES

	2026	2025
	HK$'000	HK$'000
Fair value		
At the beginning of the reporting period	**855,815**	407,624
Transfer from properties held for sales *(note 20)*	**–**	452,164
Transfer to non-current assets classified as held for sales *(note 23)*	**(102,065)**	(82,800)
(Decrease) Increase in fair value, net	**(493,762)**	74,522
Exchange difference	**26,398**	4,305
At the end of the reporting period	**286,386**	855,815

Notes:

(a) At the end of the reporting period, the Group's investment properties with a carrying amount of HK$Nil *(2025: HK$121,900,000)* were pledged to secure bank borrowings (note 25(a)) and bank facilities granted to the Group.



14. INVESTMENT PROPERTIES *(continued)*

Notes: *(continued)*

(b) The investment properties held at 30 June 2026 were valued by APAC Appraisal and Consulting Limited *(2025: AVISTA Valuation Advisory Limited)*, an independent professional valuer. The valuations, which conforms to the Hong Kong Institute of Surveyors Valuation Standards on Properties, were conducted on an open market basis using the direct comparison approach assuming a sale with the benefit of vacant possession and by reference to comparable available sales evidence in the relevant market, or by the income approach based on capitalisation of rental income and taking into account their reversionary income potential. Sales prices of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used under the direct comparison approach. The most significant input used in this valuation approach is price per square foot or market yields.

All the Group's property interests held under leases to earn rental or for capital appreciation purposes are measured using the fair value model and are classified as investment properties.

(c) As at 30 June 2025, the remaining unexpired lease term of the Group's investment properties located in Hong Kong, with carrying amount of HK$121,900,000 was 34 years.

(d) The investment properties with carrying amount of approximately HK$286,386,000 *(2025: HK$733,915,000)* are located in the Chinese Mainland and held under lease term of 40 years from 2014 to 2053 *(2025: 40 years from 2014 to 2053)*.

As at 30 June 2026, certain of these investment properties with carrying amount of approximately RMB37,518,000 (equivalent to approximately HK$43,378,000) *(2025: approximately RMB59,025,000 (equivalent to approximately HK$64,508,000))* were frozen by the court in Wuxi, the Chinese Mainland in relation to a claim against the Group, as further detailed in note 24(c) to these consolidated financial statements.

As at 30 June 2026, certain of these investment properties with carrying amounts of approximately RMB44,393,000 (equivalent to approximately HK$51,327,000) *(2025: approximately RMB73,999,000 (equivalent to approximately HK$80,873,000))* were frozen by the court in Wuxi, the Chinese Mainland in relation to a litigation against the Group, as further detailed in note 35 to these consolidated financial statements.

LEASING ARRANGEMENT – AS LESSOR

Certain investment properties are leased to tenants for a term ranging from 1 to 2 years. The leases provide the lessees with option to renew the leases upon expiry. Monthly rental charges consist of fixed payments. The tenants also bear the management fees.

The lease income from operating leases is disclosed in note 5 to the consolidated financial statements.

Properties under leases are subject to residual value risk. The lease contracts, as a result, include a provision based on which the Group's investment properties located in Hong Kong has the right to charge the tenants for any damages to the investment properties at the end of the leases. Besides, the Group has purchased insurance to protect it against any losses that may arise from accidents or physical damages of the properties.

Below is a maturity analysis of undiscounted lease payments to be received from the investment properties under operating leases.

	2026	2025
	HK$'000	HK$'000
Year 1	**7,588**	7,163
Year 2	**3,844**	3,395
Year 3	**823**	1,506
Year 4	**424**	730
Year 5	**292**	420
After year 5	**676**	926
	13,647	14,140

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Leasehold improvements	Furniture, fixtures and equipment	Machineries	Construction-in-progress	Motor Vehicles	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Cost							
At 1 July 2024	71,300	1,231	1,426	392	–	–	74,349
Additions	–	3,569	409	–	617	287	4,882
Transfer from inventories *(note)*	–	–	–	970	–	–	970
Write-off	–	–	(28)	–	–	–	(28)
Exchange realignment	–	47	6	3	8	4	68
At 30 June 2025 and 1 July 2025	**71,300**	**4,847**	**1,813**	**1,365**	**625**	**291**	**80,241**
Additions	**–**	**–**	**757**	**–**	**107**	**566**	**1,430**
Transfer from inventories *(note)*	**–**	**–**	**–**	**3,448**	**–**	**–**	**3,448**
Write-off	**–**	**–**	**(7)**	**–**	**–**	**–**	**(7)**
Exchange realignment	**–**	**209**	**44**	**13**	**40**	**36**	**342**
At 30 June 2026	**71,300**	**5,056**	**2,607**	**4,826**	**772**	**893**	**85,454**
Accumulated depreciation							
At 1 July 2024	6,538	656	790	33	–	–	8,017
Charge for the year	1,773	782	280	158	–	34	3,027
Write-off	–	–	(19)	–	–	–	(19)
Impairment loss	11,889	–	–	–	–	–	11,889
Exchange realignment	–	7	4	1	–	–	12
At 30 June 2025 and 1 July 2025	**20,200**	**1,445**	**1,055**	**192**	**–**	**34**	**22,926**
Charge for the year	**759**	**986**	**357**	**450**	**–**	**93**	**2,645**
Impairment loss	**13,371**	**–**	**–**	**–**	**–**	**–**	**13,371**
Exchange realignment	**–**	**58**	**16**	**2**	**–**	**5**	**81**
At 30 June 2026	**34,330**	**2,489**	**1,428**	**644**	**–**	**132**	**39,023**
Net carrying amount							
At 30 June 2026	**36,970**	**2,567**	**1,179**	**4,182**	**772**	**761**	**46,431**
At 30 June 2025	51,100	3,402	758	1,173	625	257	57,315

Note:

During the year, the Group transferred inventories with carrying amount of HK$3,448,000 *(2025: HK$970,000) (note 19)* to machineries under property, plant and equipment upon commencement of operating leases entered with third parties. The machineries are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost less accumulated impairment losses of the machineries over their remaining useful life, using straight-line method.

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Note: *(continued)*

The directors have reviewed the carrying amount of the land and buildings and determined that the recoverable amounts from the use or sale of certain of these assets had significantly declined below their carrying amounts. Since the economic performance of the land and buildings is worse than expected, the carrying amount of these assets has been reduced by HK$13,371,000 *(2025: HK$11,889,000)*. The recoverable amounts of these assets amounted to HK$36,970,000 *(2025: HK$51,100,000)*, which are stated at fair value less costs of disposal and categorised as level 3 of the fair value hierarchy, are valued by APAC Appraisal and Consulting Limited *(2025: AVISTA Valuation Advisory Limited)*, an independent professional valuer.

The valuation was conducted on an open market basis by the direct comparison approach assuming sale with the benefit of vacant possession and by reference to comparable sale evidence as available in the relevant market. Sales prices of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the properties. The most significant input used in this valuation approach is price per square foot or market yields.

At the end of the reporting period, the Group's land and buildings with carrying value of HK$36,970,000 *(2025: HK$51,100,000)* were pledged to secure bank borrowings *(note 25(a))* and bank facilities granted to the Group.

16. RIGHT-OF-USE ASSETS

The movements of right-of-use assets within HKFRS 16 are set out below:

	Office premises HK$'000
Reconciliation of carrying amount – year ended 30 June 2025	
At 1 July 2024 and 30 June 2025	–
Reconciliation of carrying amount – year ended 30 June 2026	
At 1 July 2025	
Additions	681
Depreciation	(278)
At 30 June 2026	403
At 30 June 2025	
Cost	–
Accumulated depreciation	–
Net carrying amount	–
At 30 June 2026	
Cost	681
Accumulated depreciation	(278)
Net carrying amount	403

16. RIGHT-OF-USE ASSETS *(continued)*

The Group has recognised the following amounts for the year:

	2026 HK$'000	2025 HK$'000
Lease payments – Expenses recognised in profit or loss:		
Total cash outflow for leases	**318**	–

COMMITMENTS UNDER OPERATING LEASES

As at 30 June 2026, the Group was not committed to any short-term leases *(2025: n/a)*.

17. DESIGNATED FVOCI

	2026 HK$'000	2025 HK$'000
At fair value		
Listed equity securities – Hong Kong	**96**	96

The fair value of the listed equity securities is determined on the basis of quoted market price at the end of the reporting period.

18. FINANCIAL ASSETS AT FVPL

	Notes	2026 HK$'000	2025 HK$'000
Unlisted investment funds	(a)	**9,377**	17,962
Listed equity securities	(b)		
– Hong Kong		**8,541**	19,584
– the Chinese Mainland		**–**	709
– Overseas		**–**	531
Listed debt instruments			
– Hong Kong		**–**	1,152
– Overseas		**–**	471
		17,918	40,409



18. FINANCIAL ASSETS AT FVPL *(continued)*

Notes:

(a) The unlisted investment funds mainly comprise:

(i) At the end of the reporting period, the unlisted investment funds represented 100% Class A participating, redeemable, non-voting shares of Green Asia Restructure SP and 100% Class A participating, redeemable, non-voting shares of Green Asia Restructure SP II (the "Green Asia Funds") with carrying amount of approximately HK$776,000 *(2025: approximately HK$4,580,000)* and HK$2,119,000 *(2025: approximately HK$3,966,000)*. The Green Asia Funds are segregated portfolios held by a third party of the Group, Green Asia Restructure Fund SPC, an exempted company incorporated in the Cayman Islands with limited liability ("Green Asia"), which was managed by a third party of the Group, Long Asia Asset Management Limited, a company incorporated in the Cayman Islands with limited liability.

Green Asia is registered as segregated portfolio company in the Cayman Islands. The investment objective of Green Asia is capital appreciation by investing in the business of originating, underwriting, acquiring and trading debt securities and loans in listed and unlisted corporate, which may be publicly traded or privately placed.

On 18 January 2022, the Group issued redemption notices to Green Asia to redeem 4,200 Class A shares of the Green Asia Funds with aggregate redemption proceeds of HK$30,497,000. In view of the failure in settlement of the redemption proceeds by Green Asia, the Group had filed petitions to the Grand Court of the Cayman Islands (the "Grand Court") against Green Asia. Consequently, representatives from Deloitte Touche Tohmatsu and Deloitte & Touche LLP were appointed jointly and severally as receivers of the Green Asia Funds by the order from the Grand Court on 6 July 2022. HK$19,445,000 *(2025: HK$19,445,000)* of the redemption proceeds have been included and recognised as "other receivables" as at 30 June 2026.

At the end of the reporting period, the fair value of the Group's investments in Green Asia Funds amounted to approximately HK$2,895,000 *(2025: HK$8,546,000)*, which was determined by the management with reference to the valuation report on Green Asia Funds issued by an independent professional valuer, APAC Appraisal and Consulting Limited, based on the net asset value of the Green Asia Funds at the end of the reporting period.

(ii) As at 30 June 2026 and 2025, included in the unlisted investment funds were 15,000 non-voting, non-redeemable and participating shares of Health Innovation Fund II SP (the "Health Innovation Fund") at a total subscription amount of US$750,000, which represented approximately 0.78% of the Health Innovation Fund under CMBI Private Equity Series B SPC.

The Health Innovation Fund is an exempted company incorporated with limited liability and registered as segregated portfolio company in the Cayman Islands. The investment objective of the CMBI Private Equity Series B SPC is capital appreciation by investing in an array of equity, equity-related and debt investments that engaging in the healthcare industry.

As at 30 June 2026, the fair value of the Group's investments in the Health Innovation Fund amounted to approximately HK$6,482,000 *(2025: approximately HK$6,326,000)*.

(b) The fair value of listed equity securities is mainly based on quoted market prices in active market in both years.

At the end of the reporting period, financial assets at FVPL with carrying amounts of approximately HK$8,538,000 *(2025: approximately HK$7,033,000)* were pledged as collateral to the margin loan facilities granted to the Group, together with a corporate guarantee provided by the Company. No *(2025: No)* margin loan facilities were utilised and outstanding at the end of the reporting period.



19. INVENTORIES

	2026 HK$'000	2025 HK$'000
Finished goods	**5,387**	2,854

During the year, the Group transferred inventories with carrying amount of HK$3,448,000 *(2025: HK$970,000) (note 15)* to machineries under property, plant and equipment upon the commencement of operating leases entered with third parties.

20. PROPERTIES HELD FOR SALES

	2026 HK$'000	2025 HK$'000
Properties held for sales ("PHS")	**47,304**	105,125

All PHS are located in the Chinese Mainland and held under lease term of 40 years from 2014 to 2053 *(2025: 40 years from 2014 to 2053)*.

The net realisable value of PHS was determined by the management with reference to the valuation performed by APAC Appraisal and Consulting Limited *(2025: AVISTA Valuation Advisory Limited)*. The valuation adopted the residual method, which is based on the completed gross development value after deducting the estimated costs necessary to make the sale.

During the year, the Group had recognised write-down of PHS of approximately RMB30,874,000 (equivalent to approximately HK$34,502,000) to net realisable value as a result of the cost of which exceeded their net realisable value based on the valuation report of the PHS at the end of the reporting period.

At the end of the reporting period, RMB40,913,000 (equivalent to approximately HK$47,304,000) *(2025: RMB87,652,000 (equivalent to approximately HK$95,795,000))* of the PHS were expected to be recovered after more than 12 months.



21. OTHER RECEIVABLES

	Notes	2026 HK$'000	2025 HK$'000
Loans and interest receivables	(a)	**19,394**	19,394
Loss allowances	(b)	**(19,394)**	(19,394)
		–	–
Rental receivables		**508**	536
Other receivables	(c)	**29,335**	28,326
Loss allowances	(b)	**(5,085)**	(4,800)
		24,758	24,062
Deposits and prepayments		**7,752**	7,474
		32,510	31,536

Notes:

(a) As at the end of the reporting period, the loans with principal amount of HK$19,394,000 *(2025: HK$19,394,000)* granted to a third-party borrower, in which the spouse of Mr. Yuen Chi Ping, a former director of the Company, were unsecured and interest-bearing at 4% *(2025: 4%)* per annum. Pursuant to the extension arrangement dated 8 September 2021, the Group had agreed to extend the repayment date in the following manner: (i) HK$3,000,000 on or before 31 January 2022, which had been repaid during the year ended 30 June 2022; and (ii) the remaining balance on or before 30 September 2022.

The principal amount and interest receivables of HK$8,450,000 had been settled during the year ended 30 June 2023 and the remaining balance of HK$19,394,000 was overdue. In view of the default in settlement of the remaining balance, the Group had filed petitions to the High Court of the Hong Kong Special Administrative Region in February 2023 for compulsory winding up of the borrower. On 20 September 2023, the court order to wind up the borrower was granted. On 24 January 2024, liquidators were appointed to handle the liquidation procedure. The Group was not aware of any progress in the liquidation of the borrower during the year ended 30 June 2026.

(b) Information about the Group's exposure to credit risks and loss allowances on loans and interest receivables and other receivables is included in note 3(a) to the consolidated financial statements.

(c) Included in the other receivables are the redemption proceeds of HK$19,445,000 *(2025: HK$19,445,000)* as detailed in note 18(a) to the consolidated financial statements. The amounts of redemption proceeds were unsecured, interest-free and repayable on demand.



22. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	Notes	2026 HK$'000	2025 HK$'000
Cash at banks and on hand	(a)	**48,673**	91,707
Cash at securities brokers	(b)	**853**	1,379
		49,526	93,086
Less: Restricted bank deposits under			
– Designated bank account for construction of properties		**(23,106)**	(21,829)
– Other		**(1,122)**	(1,059)
	(c)	**(24,228)**	(22,888)
As per consolidated statements of financial position and cash flows		**25,298**	70,198

Notes:

(a) Cash at banks and on hand comprise bank balances held by the Group that bear interest at prevailing market interest rates.

(b) Cash at securities brokers comprise cash balances held by the Group that bear interest at prevailing market interest rates.

(c) As at 30 June 2026, bank deposits of approximately RMB20,954,000 (equivalent to HK$24,228,000) *(2025: approximately RMB20,942,000 (equivalent to HK$22,888,000))*, majority of which were kept in the designated bank account for construction of properties, were frozen by the court in Wuxi, the Chinese Mainland in relation to claims against the Group, as further detailed in note 24(c) to these consolidated financial statements.



23. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES

The Group has been actively sourced buyers for the sale of certain investment properties held by the Group which are located in Hong Kong and the Chinese Mainland. Since the disposal transactions are expected to be completed within one year, these investment properties were classified as non-current assets held for sales as follows:

	2026	2025
	HK$'000	HK$'000
Investment properties	**136,301**	82,800

During the year ended 30 June 2026, investment properties located in Hong Kong with carrying amount of approximately HK$93,324,000 *(2025: approximately HK$82,800,000)* and investment properties located in the Chinese Mainland with carrying amount of approximately RMB7,560,000 (equivalent to approximately HK$8,741,000) *(2025: HK$Nil)* were transferred to non-current assets classified as held for sales. In addition, impairment loss of approximately HK$22,379,000 *(2025: HK$Nil)* was recognised on these investment properties at the end of the reporting period based on the valuation performed by APAC Appraisal and Consulting Limited as detailed in note 14(b) to these consolidated financial statements.

24. ACCOUNTS AND OTHER PAYABLES

	Notes	**2026**	2025
		HK$'000	HK$'000
Accounts payable			
To third parties	(a)	**69,513**	94,391
Other payables			
Accrued charges and other creditors		**23,758**	28,762
Deposits received		**363**	136
Contract liabilities	(b)	**7,867**	9,330
Provision for a legal claim	(c)	**30,427**	28,759
		62,415	66,987
		131,928	161,378

Notes:

(a) The ageing analysis of accounts payable of the Group is presented based on recognition date at the end of the reporting period as follows:

	2026	2025
	HK$'000	HK$'000
0-180 days	**659**	6,911
181-365 days	**1,414**	814
Over 365 days	**67,440**	86,666
	69,513	94,391



24. ACCOUNTS AND OTHER PAYABLES *(continued)*

Notes: *(continued)*

(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2026	2025
	HK$'000	HK$'000
At the beginning of the reporting period	**9,330**	18,753
Receipts in advance	**–**	6,126
Recognised as revenue	**(1,936)**	(15,759)
Exchange realignment	**473**	210
At the end of the reporting period	**7,867**	9,330

At the end of the reporting period, none *(2025: none)* of the contract liabilities were expected to be settled after more than 12 months.

(c) The movements of the provision for a legal claim during the year are as follows:

	2026	2025
	HK$'000	HK$'000
At the beginning of the reporting period	**28,759**	42,756
Reversal of provision	**–**	(14,569)
Exchange realignment	**1,668**	572
At the end of the reporting period	**30,427**	28,759

During the year ended 30 June 2023, a wholly-owned subsidiary of the Company, Wuxi Shengye Haigang Joint Stock Company Limited* (無錫盛業海港股份有限公司) ("Wuxi Shengye"), received a writ of summon issued by the People's Court of Huishan District, Wuxi* (無錫市惠山區人民法院) (the "Court") regarding a civil litigation (the "Litigation") filed by Mr. Su Keru (the "Plaintiff") against Mr. Chen Yonghua ("Mr. Chen") and Wuxi Shengye as the defendants.

In the statement of claim, it was alleged that, among others: (i) in December 2013, the Plaintiff paid the deposits for construction works of RMB20,000,000 to Mr. Chen and Mr. Chen failed to refund such deposits to the Plaintiff despite all conditions for refund had been satisfied; (ii) in July 2015, the Plaintiff provided a loan of RMB20,000,000 to Mr. Chen and Mr. Chen failed to repay such loan; and (iii) in May 2017, Wuxi Shengye acknowledged that such deposits and loan (together, the "Alleged Debt") were used in its development projects and agreed to repay the Alleged Debt jointly with Mr. Chen.

* *For identification purpose only*.



24. ACCOUNTS AND OTHER PAYABLES *(continued)*

Notes: *(continued)*

(c) *(continued)*

The Plaintiff was seeking from the Court for ordering that (i) Mr. Chen and Wuxi Shengye to jointly repay the Alleged Debt of RMB40,000,000 together with interests of approximately RMB39,642,000 (calculated up to 30 June 2025); and (ii) Mr. Chen and Wuxi Shengye to bear the costs of the Litigation. In this connection, the Court has issued an order for the seizure and freezing of the bank deposits and other assets of Mr. Chen and Wuxi Shengye as property preservation measures.

During the year ended 30 June 2024, Wuxi Shengye received a civil judgement (the "1st Judgement") issued by the Court which ruled that: (a) Mr. Chen shall repay the Alleged Debt of RMB40,000,000 together with interests to the Plaintiff immediately after the effective date of the 1st Judgement; (b) if Mr. Chen is unable to repay the debt mentioned in (a), Wuxi Shengye shall assume compensation liability for 50% of the unpaid amounts; and (c) all other claims filed by the Plaintiff were dismissed.

Based on the 1st Judgement, 50% compensation liability payable (inclusive of interest payable calculated on the basis directed by the Court) of approximately RMB39,821,000 (equivalent to approximately HK$42,756,000) was provided by Wuxi Shengye as of 30 June 2024.

In May 2024, the Group had lodged an appeal against the 1st Judgement (the "Appeal") to the Intermediate People's Court of Huishan District, Wuxi (the "Intermediate Court").

During the year ended 30 June 2025, the Intermediate Court issued a civil judgement (the "2nd Judgement") and ruled that Wuxi Shengye shall repay the deposits for construction works of RMB20,000,000 together with interests, which are limited to the amount calculated based on the construction works of RMB20,000,000 with reference to the benchmark lending rates as directed by the Intermediate Court, to the Plaintiff.

With reference to a legal opinion from the Chinese Mainland lawyer, the directors consider that no further provision other than the deposits for construction works of RMB20,000,000 and the related interests and costs is necessary.

Based on the 2nd Judgement, a reversal of the provision for legal claim of approximately RMB13,681,000 (equivalent to approximately HK$14,569,000) was recorded as at 30 June 2025.

In September 2025, the Group had lodged an appeal against the 2nd Judgement (the "Final Appeal") to the Supreme People's Court of Wuxi City, Jiangsu Province. As at the date of these consolidated financial statements, the Supreme People's Court has not yet held a hearing to decide on the Final Appeal.



25. INTEREST-BEARING BORROWINGS

	Notes	**2026 HK$'000**	2025 HK$'000
Current portion			
Bank borrowings, secured	(a)	**141,524**	166,971
Other borrowings, unsecured	(b)	**8,974**	11,215
		150,498	178,186

Notes:

(a) At the end of the reporting period, the Group's bank borrowings carried interest at 2% above Hong Kong Interbank Offered Rate *(2025: 2.25% above Hong Kong Interbank Offered Rate)* and the effective interest rate during the year was 4.3% *(2025: 4.3%)* per annum. During the year ended 30 June 2025, a renewal of the date of repayment was granted by the bank, as a result of which the outstanding balances as of 30 June 2025 and up to the date of these consolidated financial statements, the Group renewed the banking facilities several times. The outstanding balance as of 30 June 2026 is repayable in 3 tranches during September 2026 to May 2027.

The bank borrowings are secured by:

(i) the Group's the non-current assets classified as held for sales and property, plant and equipment with carrying amounts of approximately HK$127,560,000 *(2025: HK$204,700,000)* and HK$36,970,000 *(2025: HK$51,100,000)* respectively;

(ii) assignment to the bank of rental income from the Group's investment properties located in Hong Kong, which generated rental income of approximately HK$5,624,000 *(2025: approximately HK$6,528,000)* during the year ended 30 June 2026; and

(iii) assignments to the bank of insurance compensation relating to the Group's investment properties located in Hong Kong.

(b) At the end of the reporting period, the Group's other borrowings of approximately HK$8,396,000 *(2025: HK$7,936,000)* were unsecured and interest-bearing at 10% *(2025: 10%)* per annum and repayable within twelve months. The remaining balances of approximately HK$578,000 *(2025: HK$3,279,000)* were unsecured, interest-free and repayable within twelve months.



26. LEASE LIABILITIES

	Lease liabilities	
	2026	2025
	HK$'000	HK$'000
Reconciliation of carrying amount		
At the beginning of the reporting period	**–**	–
Additions	**681**	–
Interest expenses on lease liabilities	**32**	–
Lease payments	**(318)**	–
At the end of the reporting period	**395**	–
Less: non-current portion	**(122)**	–
Current portion	**273**	–

27. SHARE CAPITAL

	2026		2025	
	Number of shares	**HK$'000**	Number of shares	HK$'000
Authorised:				
At the beginning and the end of the reporting period, ordinary shares of HK$0.01 each	**6,000,000,000**	**60,000**	6,000,000,000	60,000
Issued and fully paid:				
At the beginning and at the end of the reporting period, ordinary shares of HK$0.01 each	**3,055,105,739**	**30,551**	3,055,105,739	30,551



28. RESERVES

(a) Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value. The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda (as amended).

(b) The non-recycling investment revaluation reserve comprises the cumulative net change in the fair value of Designated FVOCI at the end of the reporting period and is dealt with in accordance with the accounting policies adopted.

(c) Capital redemption reserve has been set up and is dealt with for repurchases and cancellations of the Company's own shares. The application of the capital redemption reserve is governed by Section 42A of the Companies Act 1981 Bermuda (as amended).

(d) Capital reserve represents contributed surplus arising from the cancellation of share premium account of the Company pursuant to a special resolution passed by the Company on 22 February 1999 and waivers of loans from the then minority shareholders of subsidiaries of the Company during the years ended 30 June 2006 and 2008.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(e) Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.



29. DEFERRED TAXATION

The movements for the year in the Group's net deferred tax liabilities are as follows:

	2026	2025
	HK$'000	HK$'000
At the beginning of the reporting period	**139,731**	98,094
(Credit) Charge to profit or loss *(note 10)*	**(135,784)**	39,539
Exchange realignment	**3,127**	2,098
At the end of the reporting period	**7,074**	139,731

Recognised deferred tax assets (liabilities) at the end of the reporting period represent the following:

	Assets		**Liabilities**	
	2026	2025	**2026**	2025
	HK$'000	HK$'000	**HK$'000**	HK$'000
Depreciation allowances	**–**	–	**(3,358)**	(3,346)
Fair value adjustment arising from the transfer of investment properties to land and buildings under property, plant and equipment	**–**	–	**(4,116)**	(6,447)
Fair value adjustment on PHS arising from acquisition of a subsidiary *(Note)*	**–**	–	**–**	(70,119)
Fair value adjustment arising from the transfer of PHS to investment properties	**–**	–	**–**	(60,219)
Tax losses	**400**	400	**–**	–
Deferred tax assets (liabilities)	**400**	400	**(7,474)**	(140,131)
Offsetting	**(400)**	(400)	**400**	400
Net deferred tax liabilities	**–**	–	**(7,074)**	(139,731)
Amount expected to be recovered/settled after 12 months	**–**	–	**(7,074)**	(139,731)

The balance represented deferred tax on the fair value adjustment on the PHS *(2025: PHS)* arising from the acquisition of a subsidiary and accelerated tax depreciation offsetting against unused tax losses recognised.

Note:

Properties with fair value adjustment arising from acquisition of a subsidiary of approximately HK$Nil *(2025: approximately HK$57,930,000)* were transferred from PHS to investment properties during the year ended 30 June 2026.



29. DEFERRED TAXATION *(continued)*

UNRECOGNISED DEFERRED TAX ASSETS

	2026	2025
	HK$'000	HK$'000
Tax losses arising in Hong Kong	**261,113**	235,838
Tax losses arising in the Chinese Mainland	**54,308**	32,951
	315,421	268,789

At the end of the reporting period, the Group had unused tax losses of approximately HK$261,113,000 *(2025: HK$235,838,000)* available for offset against future taxable profits in Hong Kong. No deferred tax assets in respect of these items have been recognised due to the unpredictability of future profit streams. Neither the tax losses nor the deductible temporary differences expire under current tax legislation in Hong Kong.

In addition, at the end of the reporting period, the Group had the following tax losses arising in the Chinese Mainland that can be offset against future taxable profits of the respective subsidiaries for a maximum of 5 years from the year in which the tax losses were incurred:

	2026	2025
	HK$'000	HK$'000
Year of expiry		
2026	**376**	356
2028	**4,016**	3,795
2029	**30,468**	28,800
2030	**19,448**	–
	54,308	32,951



30. OTHER CASH FLOW INFORMATION

Details of the changes in the Group's liabilities from financing activities are as follows:

	Interest-bearing borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
2026			
At the beginning of the reporting period	**178,186**	**–**	**178,186**
Additions	**–**	**681**	**681**
Interest expenses	**–**	**32**	**32**
Exchange realignment	**553**	**–**	**553**
Cash outflow in financing activities:			
Repayment of lease liabilities	**–**	**(318)**	**(318)**
Repayment of bank and other borrowings	**(28,241)**	**–**	**(28,241)**
At the end of the reporting period	**150,498**	**395**	**150,893**

	Interest-bearing borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
2025			
At the beginning of the reporting period	199,987	–	199,987
Exchange realignment	139	–	139
Cash inflow (outflow) in financing activities:			
New other borrowings raised	3,279	–	3,279
Repayment of bank and other borrowings	(25,219)	–	(25,219)
At the end of the reporting period	178,186	–	178,186



31. COMMITMENTS

At the end of the reporting period, the Group had the following commitments for expenditure:

	2026	2025
	HK$'000	HK$'000
Contracted but not provided for:		
– Air-conditioning work and electricity construction for the investment properties	**1,952**	1,845

32. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the year, the Group had the following transaction with a related party:

Relationship	**Nature of transactions**	**2026** **HK$'000**	2025 HK$'000
Director of the Company, Dr. Chan Kin Keung, Eugene	Consultancy fee	**182**	840

(b) Remuneration to key management personnel

The remuneration to members of key management, including the directors as disclosed in note 11 to the consolidated financial statements for both years is as follows:

	2026	2025
	HK$'000	HK$'000
Remuneration to key management personnel	**9,146**	10,074



33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	Notes	2026 HK$'000	2025 HK$'000
Non-current assets			
Interests in subsidiaries	33(a)	**646,362**	865,729
Current assets			
Other receivables		**445**	563
Bank balances and cash		**1,179**	2,021
		1,624	2,584
Current liabilities			
Other payables		**728**	705
Interest-bearing borrowings		**141,524**	166,971
		142,252	167,676
Net current liabilities		**(140,628)**	(165,092)
Total assets less current liabilities		**505,734**	700,637
Non-current liabilities			
Amount due to a subsidiary		**235,758**	175,966
Net assets		**269,976**	524,671
Capital and reserves			
Share capital	27	**30,551**	30,551
Reserves	33(b)	**239,425**	494,120
Total equity		**269,976**	524,671



33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

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

(a) INTERESTS IN SUBSIDIARIES

	2026	2025
	HK$'000	HK$'000
Unlisted shares, at cost	**112,728**	89,046
Amounts due from subsidiaries	**831,174**	829,252
	943,902	918,298
Allowance for impairment losses	**(297,540)**	(52,569)
	646,362	865,729

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment term. At the end of the reporting period, the carrying amounts of the amounts due approximate their fair values. The amounts due from subsidiaries are not expected to be realised in the next twelve months from the end of the reporting period.



33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

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

(a) INTERESTS IN SUBSIDIARIES *(continued)*

Particulars of the principal subsidiaries of the Company at the end of the reporting period are as follows:

Name of subsidiaries	Place of incorporation/ registration and operation/kind of legal entity	Nominal value of issued and paid-up share capital/ registered capital	Proportion of issued/paid up share capital/registered capital held by the Company		Principal activities
			Directly	Indirectly	
Applied Investment (Asia) Limited	Hong Kong/limited liability company	Ordinary HK$574,630,911	100%	–	Investing in funds, equity securities and debt instruments
Superform Investment Limited	Hong Kong/limited liability company	Ordinary HK$102	–	100%	Property investment
無錫盛業海港股份有限公司 Wuxi Shengye Haigang Joint Stock Company Limited* ("Wuxi Shengye")	The Chinese Mainland/ wholly foreign owned enterprise limited by share	Registered capital RMB530,000,000/ Paid-up capital RMB517,724,000 *(Note 1)*	–	100%	Property development
Novautek Autonomous Driving Limited	Hong Kong/limited liability company	Ordinary HK$30,000,000 *(2025: HK$30,000,000)*	–	84%	
江蘇諾科達智駕科技有限公司Jiangsu Novautek Autonomous Driving Technology Limited*	The Chinese Mainland/ wholly foreign owned enterprise with limited liability	Registered capital RMB15,000,000/Paid-up capital RMB10,000,000	–	100%	AI robotics
深圳諾科達科技有限公司 Shenzhen Novautek Technology Limited*	The Chinese Mainland/ foreign owned enterprise with limited liability	Registered capital RMB10,000,000/Paid-up capital RMB5,000,000	–	100%	AI robotics

Note 1:

At the date of the authorisation of these consolidated financial statements, the unpaid capital amounted to RMB12,276,000.

* *For identification purpose only*.

None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.

The above list includes the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the year or assets and liabilities of the Group. To give details of all other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.



33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(continued)*

(b) MOVEMENTS OF RESERVES OF THE COMPANY

	Share premium HK$'000 *(Note 28(a))*	Capital redemption reserve HK$'000 *(Note 28(c))*	Capital reserve HK$'000 *(Note 28(d))*	Accumulated losses HK$'000	Total HK$'000
At 1 July 2024	437,801	11,931	204,610	(149,491)	504,851
Loss for the year and total comprehensive loss for the year	–	–	–	(10,731)	(10,731)
At 30 June 2025 and 1 July 2025	437,801	11,931	204,610	(160,222)	494,120
Loss for the year and total comprehensive loss for the year	–	–	–	(254,695)	(254,695)
At 30 June 2026	**437,801**	**11,931**	**204,610**	**(414,917)**	**239,425**

Subject to the conditions mentioned in note 28 to the consolidated financial statements, the Company had reserves (including capital reserve and accumulated losses) totalling of approximately HK$Nil *(2025: approximately HK$44,388,000)* available for distribution to shareholders at the end of the reporting period.

34. RETIREMENT BENEFIT SCHEMES

With effect from 1 December 2000, the Group has enrolled all its qualifying employees employed in Hong Kong into a mandatory provident fund scheme (the "MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

In accordance with rules and regulations in the Chinese Mainland, the employees of the Group's entities established in the Chinese Mainland are required to participate in defined contribution retirement plans organised by local government. Contributions to those plans are expensed as incurred. Other than the monthly contributions, the Group has no further obligation for the payment of the retirement benefits to its employees.

At the end of the reporting period, no forfeited contribution is available to reduce the contributions payable in future years.

The retirement benefits cost charged to profit or loss, as set out in note 9 to the consolidated financial statements, represents contributions payable to the schemes by the Group at rates specified in the rules of the MPF Scheme and the defined contribution retirement plans in the Chinese Mainland.



35. CONTINGENT LIABILITIES

In addition to the Litigation as disclosed in note 24(c) to the consolidated financial statements, Wuxi Shengye received another writ of summon issued by the Court regarding a civil litigation (the "2nd Litigation") filed by the Plaintiff against Wuxi Shengye as the defendant in February 2024.

In the statement of claim, the Plaintiff alleged that, among others: (i) on 12 November 2013, the Plaintiff, through Jiangsu Nantong Liujian Construction Group Company Limited* (江蘇南通六建建設集團有限公司) (the "Plaintiff 2") entered into a general contractor agreement with Wuxi Shengye for the construction project of the commercial complex at Liutan station of the Wuxi Metro line 1 (the "Project") which was developed by Wuxi Shengye and the Plaintiff undertook the Project as the general constructor; (ii) the Project was completed and the parties had entered into a supplemental agreement on 28 March 2023 (the "Supplemental Agreement") regarding the acceptance of the Project, settlement audit and payment of construction fees; and (iii) Wuxi Shengye failed to complete the settlement audit of the Project and failed to pay the quality guarantee deposit and the outstanding construction fee in accordance with the Supplemental Agreement.

The Plaintiff was seeking from the Court to order Wuxi Shengye (i) to pay the quality guarantee deposit of RMB6,952,000 and the corresponding interest; (ii) to pay the outstanding construction fee of RMB51,425,240 and the corresponding interest; and (iii) to bear the costs of the 2nd Litigation. In this connection, the Court has issued an order for the seizure and freezing of certain assets of Wuxi Shengye as property preservation measures.

The directors deny the allegations of the Plaintiff and Wuxi Shengye had arranged for the final settlement audit regarding the construction fees of the Project ("Settlement Audit"). However, the Plaintiff 2 did not agree with the results of the Settlement Audit without providing valid grounds and supporting documents.

The 2nd Litigation had been dismissed by the Court in February 2025.

In May 2025, Wuxi Shengye received another writ of summon issued by the Court regarding a civil litigation (the "3rd Litigation") filed by the Plaintiff 2 against Wuxi Shengye as the defendant for the same dispute.

In April 2026, based on the judgement, the Court ordered Wuxi Shengye (i) to pay the quality guarantee deposit of approximately RMB6,952,000 and the corresponding interest; (ii) to pay the outstanding construction fee and the corresponding interest of approximately RMB19,167,000 (the "Alleged Outstanding Fees"); (iii) to pay the liquidated damages of approximately RMB428,000; and (iv) to bear the costs of the 3rd Litigation. The Group had already recorded sufficient accruals with respect of the outstanding construction fees for the Project in accounts and other payables.

With reference to a legal opinion from the Chinese Mainland lawyer, the directors consider that no further provision for the Alleged Outstanding Fees and the related interests and costs is necessary.

* *For identification purpose only*.



36. EVENTS AFTER THE REPORTING PERIOD

In addition to the events disclosed elsewhere in these consolidated financial statements, the Group had the following subsequent events:

On 24 July 2026, the Company entered into subscription agreements with four subscribers for the issue of convertible bonds with an aggregate principal amount of HK$33,000,000. The convertible bonds bear interest at approximately 6% per annum, mature 24 months from the date of issue and are convertible into ordinary shares of the Company at an initial conversion price of HK$0.18 per conversion share.

On 18 September 2026, all conditions precedent as set out in the subscription agreements were fulfilled and the Company completed the issuance of convertible bonds to the subscribers in the aggregate principal amount of HK$33,000,000.

The net proceeds from the subscriptions, after deducting commissions and other relevant costs and expenses, amounted to approximately HK$32,570,000. The proceeds are intended to be used primarily for the development of the Group's AI robotics business, including manufacturing and production, research and development, sales and marketing activities, and general working capital.

As at the date of approval of these financial statements, none of the Convertible Bonds had been converted into ordinary shares of the Company. The issuance of the convertible bonds may result in dilution of existing shareholdings upon future conversion of the bonds.



The following is a summary of the published results and the assets and liabilities of the Group:

RESULTS

	For the year ended 30 June				
	2022	2023	2024	2025	**2026**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Revenue	11,131	93,673	41,057	33,795	**30,984**
(Loss) Profit before income tax	(161,436)	(46,834)	(48,215)	46,943	**(618,029)**
Tax (expense) credit	(1,441)	3,168	(6,219)	(39,818)	**135,590**
(Loss) Profit for the year	(162,877)	(43,666)	(54,434)	7,125	**(482,439)**
(Loss) Profit attributable to equity holders of the Company	(162,877)	(43,449)	(50,607)	9,046	**(479,574)**

ASSETS AND LIABILITIES

	At 30 June				
	2022	2023	2024	2025	**2026**
	HK$'000	HK$'000	HK$'000	HK$'000	**HK$'000**
Total assets	1,436,359	1,299,818	1,273,673	1,269,036	**622,262**
Total liabilities	(563,372)	(497,671)	(501,141)	(481,660)	**(292,409)**
	872,987	802,147	772,532	787,376	**329,853**
Equity attributable to equity holders of the Company	872,987	797,464	771,676	790,736	**336,078**



PARTICULARS OF INVESTMENT PROPERTIES, LAND AND BUILDINGS UNDER PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES HELD FOR SALES

Particulars of investment properties (including non-current assets held for sales) held by the Group as at 30 June 2026 are as follows:

Name/location	Approximate gross floor area	Lease expiry	Type	Effective % held
24th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong (excluding units 2402B, 2407A, 2407B, 2408A, 2409A, 2409B, 2410A, 2410B, 2411A and 2411B)	9,993 sq.ft.	2059	Commercial	100%
The sides of Tianhe Road, Tianyi New Town, Huishan District, Wuxi City, Jiangsu Province, the Chinese Mainland	59,446 sq.m.	2053	Commercial	100%
The sides of Tianhe Road, Tianyi New Town, Huishan District, Wuxi City, Jiangsu Province, the Chinese Mainland (Parking spaces)	35,749 sq.m	2053	Parking spaces	100%

Particulars of land and buildings under property, plant and equipment held by the Group as at 30 June 2026 are as follows:

Name/location	Approximate gross floor area	Lease expiry	Type	Effective % held
Units 2407A, 2407B and 2408A on 24th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong	2,696 sq.ft.	2059	Commercial	100%

Particulars of properties held for sales held by the Group as at 30 June 2026 are as follows:

Name/location	Year of completion	Approximate site area	Approximate gross floor area completed	Lease expiry	Type	Effective% held
The PRC						
The sides of Tianhe Road, Tianyi New Town, Huishan District, Wuxi City, Jiangsu Province, the PRC	2023	29,326 sq.m.[note 1]	12,949 sq.m.[note 2]	2053	Commercial	100%

Note 1 The site area is in respect of the whole property (regardless of GFA that have been sold).

Note 2 Properties sold and properties transferred to investment properties were deducted from the calculation of floor area.

In this annual report, the following terms or expressions have the following meanings unless otherwise specified:

"AGM"	the annual general meeting of the Company
"AI Raas"	Robotics-as-a-Service
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"Bye-laws"	the Bye-laws of the Company
"CEO"	the chief executive officer of the Company
"Chairman"	the chairman of the Board
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Company"	Novautek Technologies Group Limited
"COVID-19"	Coronavirus Disease 2019
"Director(s)"	the director(s) of the Company
"FVPL"	fair value through profit or loss
"FY2020"	the financial year ended 30 June 2020
"FY2021"	the financial year ended 30 June 2021
"FY2022"	the financial year ended 30 June 2022
"FY2024"	the financial year ended 30 June 2024
"FY2025"	the financial year ended 30 June 2025
"FY2026"	the financial year ended 30 June 2026
"Group", "we", "our" or "Novautek"	the Company and its subsidiaries
"HK$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange



DEFINITIONS

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company
"Novautek Autonomous Driving"	Novautek Autonomous Driving Limited
"Chinese Mainland"	the People's Republic of China
"Remuneration Committee"	the remuneration committee of the Company
"R&D"	research and development
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the share(s) of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Shenzhen Novautek"	Shenzhen Novautek Technologies Co., Ltd.* (深圳諾科達科技有限公司), a wholly-owned subsidiary of the Company
"sq.ft."	square feet
"sq.m."	square meter
"Stock Exchange" or "HKEx"	The Stock Exchange of Hong Kong Limited
"Wuxi Property Project"	the property development project of the Group in Wuxi City, Jiangsu Province, the PRC
"Wuxi Shengye"	Wuxi Shengye Haigang Joint Stock Company Limited* (無錫盛業海港股份有限公司), a wholly-owned subsidiary of the Company
"US$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

* *For identification purposes only*

