



(Incorporated in Bermuda with limited liability)

(Stock Code: 08186)

2025 Annual Report

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Characteristics of GEM of The Stock Exchange of Hong Kong Limited

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") take no responsibility for the content of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the content of this report.

This report, for which the board (the "Board") of directors (the "Directors") of Almana Limited (the "Company") collectively and individually accept full responsibility, includes particulars in compliance with the Rules Governing the Listing of Securities on GEM (the "GEM Listing Rules") for giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there is no other matter the omission of which would make any statement in this report misleading.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

JIN Guangwu (Co-Chairman)
CHEUNG Chi Wing (Co-Chairman, appointed on 14 January 2026)
CHAN Ho Yee
PAN Zhen (resigned on 14 January 2025)

Independent Non-Executive Directors

PANG King Sze, Rufina
HON Ming Sang (appointed on 14 January 2026)
HUANG Zhe
ZHANG Chuanbang (resigned on 14 January 2026)

AUDIT COMMITTEE

PANG King Sze, Rufina
HON Ming Sang (appointed on 14 January 2026)
HUANG Zhe
ZHANG Chuanbang (resigned on 14 January 2026)

NOMINATION COMMITTEE

PANG King Sze, Rufina
HON Ming Sang (appointed on 14 January 2026)
HUANG Zhe
ZHANG Chuanbang (resigned on 14 January 2026)

REMUNERATION COMMITTEE

PANG King Sze, Rufina
HON Ming Sang (appointed on 14 January 2026)
HUANG Zhe
ZHANG Chuanbang (resigned on 14 January 2026)

COMPLIANCE OFFICER

CHAN Ho Yee

COMPANY SECRETARY

LEUNG Ka Ho

INDEPENDENT AUDITOR

BDO Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

35/F, Two Pacific Place
88 Queensway
Admiralty, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton, HM 11, Bermuda

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Ltd.
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

STOCK CODE

0 8 1 8 6

WEBSITE ADDRESS

www.mfpy.com.hk

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in the household business, plantation business and accessory business. Despite its financial services business having become inactive in the past years, the Company has been making efforts to explore opportunities to re-activate this business segment, especially in view of the government's initiative to strengthen Hong Kong's competitiveness as an international financial centre. The Group, in addition to continuing to focus on the development of its principal businesses, will pursue appropriate business opportunities to expand into those businesses which would have synergy with its principal businesses.

FINANCIAL OVERVIEW

In view of the heightened geopolitical tensions, including reciprocal tariffs between the United States and China, the Group has closely monitored the global economic and geopolitical risks and their potential operational impacts. As a result of the Group's effort to broaden product offerings and expand customer base, its revenue increased by 21.8% to HK\$35.5 million for the year ended 31 December 2025 (2024: HK\$29.2 million). This growth was mainly driven by the Household Business where revenue was increased to HK\$18.2 million (2024: HK\$5.3 million). During the year, the Group's gross profit rose by 9% to HK\$6.2 million although its overall gross profit margin slightly decreased by 2.1% to 17.3% (2024: 19.4%). The Group has continued to implement cost control measures during the year and its administrative expenses decreased by 14.7% to HK\$4.4 million (2024: HK\$5.2 million). As a result of the above, the Group recorded a consolidated profit attributable to owners of the Company of HK\$1.7 million (2024: HK\$0.2 million) and basic and diluted earnings per share of the Company attributable to its owners of HK\$1.5 cents (2024: HK0.2 cents).

FINANCIAL RESOURCES, BORROWINGS AND LIQUIDITY

The Group's operations are financed by its internally generated cashflow. During 2025, the Group's net cash used in operating activities amounted to HK\$2.2 million (2024: HK\$10.3 million) and net cash generated from investing activities amounted to HK\$0.4 million (2024: HK\$ Nil) and net cash used in financing activities amounted to HK\$ 0.1 million (2024: outflow of HK\$0.8 million). As a result, the Group recorded a net cash outflow of HK\$1.9 million (2024: HK\$11.1million).

As at 31 December 2025, the Group had total assets of HK\$27.4 million (2024: HK\$26.4 million) and total liabilities of HK\$4.0 million (2024: HK\$4.7 million) i.e. the Group had net assets of HK\$23.4 million (2024: HK\$21.7 million) and net asset value per share of HK\$0.21 (2024: HK\$0.19). The Group's current assets amounted to HK\$24.9 million (2024: HK\$21.0 million), of which HK\$5.1 million (2024: HK\$7.0 million) was cash and bank balances, and its current liabilities amounted to HK\$4.0 million (2024: HK\$4.7 million). The Group had no borrowing as at 31 December 2025 (2024: HK\$Nil).

The Group has adopted a conservative financial management approach in treasury policy with an aim to maintain a healthy financial position. The Board also closely monitored the liquidity position of the Group to ensure the liquidity structure of the Group's assets, liabilities and commitments to be able to meet its requirements at all times.

CAPITAL STRUCTURE

As at 31 December 2025, the total number of issued shares and the issued share capital of the Company were 113,868,640 (2024: 113,868,640) and HK\$ HK\$9,109,000 (2024: HK\$9,109,000) respectively.

FOREIGN EXCHANGE AND RISK MANAGEMENT

Since almost all of its transactions and recognised financial assets and liabilities are denominated either in Hong Kong dollars, United States dollars or Renminbi and the exchange rates of these currencies have been quite stable, the Group considers its foreign currency risk not material and does not have a foreign currency hedging policy. However, the Group will continuously monitor its foreign exchange exposure and apply appropriate measures if necessary. The Group's businesses are also subject to certain risks in price fluctuations and competition in product offerings.

PROSPECTS

Looking ahead, the business environment is expected to remain uncertain and challenging with geopolitical conflicts, subdued consumer sentiment and intense competition. The Group will strive to remain adaptable in supply capacity and resource planning to respond to market fluctuations. It will also focus on cost reduction and operational efficiency through streamlining and consolidation across all aspects of its operations as well as prudent supply chain management and stringent cost controls. In addition, the Group will seek growth opportunities by extending customer base and expanding product categories. Having weathered the challenges in previous years, the Company recognises that prompt response to changes in the business landscape and prudent financial and liquidity management are key factors in withstanding major disruptions and uncertainties. The Group will continue to proactively respond to the evolving market dynamics by adjusting its business strategies. The Group will also pursue appropriate business opportunities to create synergies with its principal businesses and advance its long term sustainability goals.

CAPITAL COMMITMENT, CHARGE OF ASSETS, SIGNIFICANT INVESTMENTS AND MATERIAL ACQUISITIONS AND DISPOSALS

There was no significant capital commitment of the Group outstanding and no material asset of the Group has been pledged as at 31 December 2025. The Group has no significant investment and material acquisition/disposal during the year and did not have any solid plans for material investment or acquisition of capital assets as at 31 December 2025 and the date of this report.

FUND-RAISING ACTIVITIES

The Company did not conduct any equity fund-raising activities during the year.

RISKS FACTORS

The Group's business operations are subject to a number of risk factors. For example, if there is a decline in the prices of its products due to intensified competition, the profitability of the Group will be adversely affected. The prices of the Group's products are also subject to various factors, such as consumer behaviour, elasticity of demand, economic conditions and image of the Group. The Group has been taking steps to address such material factors affecting its pricing strategies including reducing production costs, lengthening/re-designing product life cycle, increasing product differentiation and improving after sale services.

In addition to price competition, the Group's products are subject to consumer preferences and availability of substitution. If the Group fails to respond to changes in market conditions and the market demand for its products due to technology advancement, its financial performance will be adversely affected. The Group has been devoting more resources for product improvement with an emphasis on product quality, addition of new features and improvement of existing features and value proposition through customer services, logistical support, information systems and product branding.

The Group is exposed to credit risk on trade receivables from counter-parties due to global landscape setting marked by trade uncertainties. To mitigate such risk, the Group has established trade credit policies, particularly the procedures and guidelines in monitoring such exposure and customers' settlement patterns on an on-going basis. For the year ended 31 December 2025, the Group's provision for an expected credit loss on trade receivables was HK\$1,035,000 (2024: HK\$290,000).

BIOGRAPHICAL DETAILS OF DIRECTORS

Executive Directors

Mr. Jin Guangwu, Co-Chairman, aged 54, has over 25 years of management experience in the consumer industry including strategic planning, resources integration, business development and customer relationship management for domestic and overseas markets. Mr. Jin founded his own business focusing on new consumer and household industries in 2008 and was awarded as an Extraordinary Leading Person of Trustworthy Enterprises in 2021 and appointed as an honorary chairperson of the Ambassador for Chinese Cultural Exchange in 2022. Mr. Jin holds a bachelor's degree in medicine from Fujian Medical University, China. He has been appointed as an executive director since 2024.

Mr. Cheung Chi Wing, Co-Chairman, aged 48, has extensive management experience in financial and life planning consultancy services. He is the founder and the managing director of a group of companies engaged in the business in provision of services on investments, immigration, overseas studies and insurance brokerage. Mr. Cheung holds a master's degree in business administration from Anglia Ruskin University, United Kingdom. Mr. Cheung was appointed as an executive director in January 2026.

Ms. Chan Ho Yee, aged 30, is experienced in business arrangement and project management and has established connections in Hong Kong and the overseas market. Ms. Chan holds a master's degree in arts and has been appointed as an executive director since 2022.

Independent Non-executive Directors

Ms. Pang King Sze, Rufina, aged 51, has more than 20 years of experience in the areas of audit, financial management and internal control. She is the co-founder and a partner of a certified public accountants' firm in Hong Kong. Ms. Pang is a member of the Hong Kong Institute of Certified Public Accountants and a member of the New Zealand Institute of Chartered Accountants and holds a bachelor's degree in business. Ms. Pang has been appointed as an independent non-executive director since 2014.

Mr. Hon Ming Sang, aged 47, has substantial experience in financial management, audit, compliance and corporate finance. He is a Chartered Financial Analyst, a member of The Hong Kong Society of Financial Analysts and the Hong Kong Institute of Certified Public Accountants, a fellow member of the Association of Chartered Certified Accountants, and an associate member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Mr. Hon holds a bachelor's degree in business administration with honour from The Chinese University of Hong Kong. He is currently an independent non-executive director of Asia Energy Logistics Group Limited (stock code: 351), Finsoft Financial Investment Holdings Limited (stock code: 8018), InvesTech Holdings Limited (stock code: 1087) and Virtual Mind Holding Company Limited (stock code: 1520). He is also the chief financial officer and the company secretary of China Gas Industry Investment Holdings Co. Ltd. (stock code: 1940). Mr. Hon was appointed as an independent non-executive director in January 2026.

Mr. Huang Zhe, aged 60, has over 30 years of experience in manufacturing, sales and marketing and brand management. He is the founder and the managing director of a manufacturing company in China and had held managerial positions in various entities in the manufacturing industry prior to founding his own business. Mr. Huang has been appointed as an independent non-executive director since 2020.

Mr. Zhang Chuanbang, aged 37, has 15 years of substantial experience in business development and corporate management. Mr. Zhang is an entrepreneur in diversified businesses and is the founder and the chairman of a number of companies engaged in technology, construction and hospitality and catering businesses in China. Mr. Zhang was appointed as an independent non-executive director in September 2024 and resigned in January 2026.

Report of the Board

PRINCIPAL ACTIVITIES AND SEGMENT INFORMATION

The Company is an investment holding Company and the principal activities of its principal subsidiaries are set out in the notes to the consolidated financial statements. An analysis of the Group's revenue and results by reportable segment and geographical location during the year ended 31 December 2025 is set out in the notes to the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AND RESERVES

The results of the Group for 2025 and the state of the Group's (including the Company's) affairs as at the year end date as well as the movements in the reserves of the Group and the Company are set out in this report and in the notes to the consolidated financial statements respectively. As at 31 December 2025, the Company did not have reserves available for distribution (2024: Nil).

DIVIDEND POLICY AND DIVIDENDS

The Company has a dividend policy which allows distribution of dividends to shareholders by way of cash or shares in accordance with the Bye-laws of the Company and targets to achieve continuity, stability and sustainability. Recommendation of dividend payment is subject to the absolute discretion of the Board and payment of final dividend is subject to approval of the shareholders of the Company. In proposing a dividend payout, the Board shall take into account, inter alia, earnings per share, reasonable return to the shareholders, the financial conditions and business plan of the Group and the market sentiments and circumstances. The Directors do not recommend payment of dividend for the year ended 31 December 2025 (2024: Nil).

CHARITABLE DONATION

The Group did not make charitable contribution in 2025 (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment in 2025 are set out in the notes to the consolidated financial statements.

BORROWINGS

The Group had no borrowing as at 31 December 2025 (2024: Nil).

EVENTS AFTER THE REPORTING DATE

Details of events after the reporting date are set out in the notes to the consolidated financial statements.

DIRECTORS

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

| | |
|---------------------------|---|
| Mr. Jin Guangwu | (Co-Chairman and executive Director) |
| Mr. Cheung Chi Wing | (Co-Chairman and executive Director) (appointed on 14 January 2026) |
| Ms. Chan Ho Yee | (executive Director) |
| Ms. Pang King Sze, Rufina | (independent non-executive Director) |
| Mr. Hon Ming Sang | (independent non-executive Director) (appointed on 14 January 2026) |
| Mr. Huang Zhe | (independent non-executive Director) |
| Mr. Pan Zhen | (executive Director) (resigned on 14 January 2025) |
| Mr. Zhang Chuanbang | (independent non-executive Director) (resigned on 14 January 2026) |

Mr. Cheung Chi Wing, Mr. Hon Ming Sang and Mr. Jin Guangwu shall retire from the Board by rotation at the forthcoming annual general meeting. They are eligible and have offered themselves for re-election. The biographical details of Mr. Cheung Chi Wing, Mr. Hon Ming Sang and Mr. Jin Guangwu are set out in this report.

There is no service contract with any Director which is not determinable by the Company within one year without payment of compensation (other than statutory compensation). The remuneration of the executive Directors and non-executive Directors is director's fee and is determined and reviewed by the remuneration committee of the Board with reference to the contribution, commitment and responsibilities of the Directors and the prevailing market conditions. Details of the Directors' emoluments in 2025 are shown in the notes to the consolidated financial statements.

Each independent non-executive Director has confirmed his/her independence pursuant to the GEM Listing Rules. The Board considers all the independent non-executive Directors being independent.

No contract, commitment or agreement of significance in relation to the Group's businesses, to which the Group was a party and in which any of the Directors had a material interest, either directly or indirectly, subsisted as at 31 December 2025 or during 2025. None of the directors or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had engaged in any business that would compete with those of the Group or had any other conflict of interests with the Group in 2025.

Pursuant to the Bye-laws of the Company, the Directors and officers, for the time being acting in relation to the affairs of the Company, shall be indemnified and secured harmless out of the assets of the Company against all losses, damages and expenses incurred or sustained by his/her as a director or officer of the Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES AND INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, (i) the interest 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 Securities and Futures Ordinance ("SFO")) that were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or were recorded pursuant to Section 352 of the SFO, or were otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules; and (ii) so far as is known to the Directors, the persons (other than a Director or the chief executive of the Company) who had interests or short position in the shares or underlying shares of the Company which would be required to be recorded in the register required to be kept under Section 336 of the SFO, or were interested in 5% or more of any class of share capital carrying rights to vote at general meetings of the Company were as follows:

| Name of Director/Shareholder | Capacity of interests | Number of Shares | Number of underlying Shares | Percentage of shareholding |
|-------------------------------------|------------------------------|-------------------------|------------------------------------|-----------------------------------|
| Cheung Chi Wing | Personal | 33,905,456 | – | 29.8% |

At no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates, including spouses or children under eighteen years of age, to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

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

SHARE SCHEMES

The Company has adopted two share schemes, namely the share option scheme and the share award scheme, pursuant to resolutions passed by the shareholders of the Company on 30 June 2023. Save for the share option scheme and the share award scheme, the Company had no other equity-linked agreement during the year or subsisted at end of the year.

Share option scheme

Purpose of the share option scheme

The purpose of the share option scheme is to recognise the past contribution of the eligible participants and to provide incentives to them for their future contribution to the Group.

Participants of the share option scheme and the basis of determining their eligibility

The eligible participants of the share option scheme include (i) directors and employees of the Group and its related entities and (ii) service providers of the Group. The eligibility of the participants shall be determined by the Board from time to time based on the Board's opinion as to their contributions to the development and growth of the Group.

Share options granted, exercised or lapsed

There was no share option outstanding as at 31 December 2025. During the year, no share option was granted (2024: Nil), exercised (2024: Nil), lapsed (2024: Nil) or cancelled (2024: Nil).

Exercise price

The exercise price of the share option shall be determined at the discretion of the Directors, and shall be at least the highest of (i) the closing price of the shares of the Company on the date on which the share option is offered; (ii) the average closing price of the shares of the Company for the 5 business days immediately preceding the date on which the share option is offered; and (iii) the nominal value of the shares of the Company.

Grant price of options and acceptance of an offer

The eligible participants shall pay HK\$1 to the Company within 30 days upon their acceptance as consideration for the share option granted.

Period for which a share option must be held before it can be exercised

The Board may in its absolute discretion set a minimum period for which the share option must be held before the share option can be exercised, subject to a minimum period of 12 months. Thereafter, share options may be exercised in accordance with the terms of the share option scheme at any time during the period determined by the Board, which shall not exceed ten years from the date of grant (subject to the provisions of early termination).

Remaining life of the share option scheme

The share option scheme has a term of ten years commencing on 30 June 2023 (subject to early termination provisions contained in the share option scheme).

Share award scheme

Purpose of the share award scheme

The purpose of the Share Award Scheme is to recognise the past contribution of the eligible participants and to provide incentives to them for their future contribution to the Group.

Participants of the share award scheme and the basis of determining their eligibility

The eligible participants of the share award scheme include (i) directors and employees of the Group and its related entities and (ii) service providers of the Group. Their eligibility shall be determined by the Board from time to time on the basis of the Board's opinion as to the eligible participant's contribution to the development and growth of the Group.

Share awards granted, lapsed or cancelled

There was no share award outstanding as at 31 December 2025. During the year, no share award was granted (2024: Nil), lapsed (2024: Nil) or cancelled (2024: Nil).

Vesting period under share award scheme

The vesting period of a share award granted under the Share Award Scheme shall be determined by the Board subject to a minimum period of 12 months, or a shorter vesting period at the discretion of the Board under certain circumstances in relation to the grant of an offer to the director or employee of the Group.

Remaining life of the share award scheme

The share award scheme has a term of ten years commencing on 30 June 2024, subject to early termination provisions contained in the Share Award Scheme.

Maximum entitlement of each eligible participant under the share option scheme and share award scheme

Unless approved by the shareholders of the Company in general meeting in the manner prescribed in the GEM Listing Rules, the Board shall not grant share options or share awards to any eligible participant if the acceptance of such share options or share awards would result in the total number of shares issued and to be issued in respect of all share options or share awards granted to such eligible participant during any 12-month period exceeding 1% of the total shares of the Company then in issue.

Maximum number of options and awards available for grant

The total number of share options and share awards available for grant under the scheme mandate as at 31 December 2025 was 2,846,716 (2024: 2,846,716), of which 284,671 share options and share awards were available for grant to service providers of the Company. Since the scheme mandate was not refreshed in 2025 and no share option or share award were granted during the year, the total number of shares available for issue under the share option scheme and the share award scheme and other share scheme of the Company was 2,846,716 shares as at 31 December 2025 (2024: 2,846,716 shares), representing 2.5% of 113,868,640 shares in issue as at 31 December 2025 and as at the date of this report.

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

In 2025, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

MAJOR CUSTOMERS AND SUPPLIERS

The largest and five largest customers by legal entity are attributable to 25% and 68% of the Group's revenue respectively, and the largest supplier and five largest suppliers by legal entity are attributable to 43% and 100% of its purchases respectively. At no time during the year had the Directors and their associates or any shareholder of the Company (whom to the Directors' knowledge owning more than 5% of the shares) held any beneficial interest in these major customers and suppliers.

BUSINESS REVIEW AND FIVE YEARS SUMMARY

Review of the businesses of the Group and discussion and analysis of the Group's performance (including key performance indicators) for 2025 and the material factors underlying its results and financial position are provided in the sub-sections headed "Financial Overview" and "Business Review". The outlook of the Group's businesses is discussed in the sub-section headed "Prospects". These statements form parts of this section. A summary of the results and the assets and liabilities of the Group for the last five financial years is also set out in this report.

PRINCIPAL RISKS

The Group's operation is subject to certain risks, details of which are discussed in the sub-section headed "Risk Factors" of this report.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTIONS

Details of the related party transactions of the Group for 2025 are set out in the notes to the consolidated financial statements and none of them constituted any connected or continuing connected transaction of the Group under Chapter 20 of the GEM Listing Rules.

MANAGEMENT CONTRACT AND EMPLOYMENT RETIREMENT BENEFITS SCHEME

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed in 2025. As at 31 December 2025, the Group had 15 (2024: 15) employees. The Group has remuneration policies which target to remunerate employees based on their performance, working experience and the prevailing market practice. Details of the Group's retirement benefits scheme for the year are set out in the notes to the consolidated financial statements.

AUDIT COMMITTEE

The audit committee of the Board has reviewed the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2025 and discussed the auditing, internal control and financial reporting matters with the Group's auditors. The committee is of the view that the consolidated financial statements were prepared in accordance with the applicable accounting standards and requirements and that adequate disclosure has been made. There was no disagreement between the auditors and the audit committee in respect of the accounting policies adopted by the Group.

AUDITORS

The consolidated financial statements for the year ended 31 December 2025 have been audited by BDO Limited, who will retire and, being eligible, offer itself for re-appointment. A resolution for reappointment of BDO Limited as auditors of the Company will be proposed at the forthcoming annual general meeting.

CODE ON CORPORATE GOVERNANCE PRACTICES AND COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Board considers good corporate governance a key element in managing the businesses and affairs of the Group. In the opinion of the Board, the Company has complied with the Corporate Governance Code set out in Appendix C1 of the GEM Listing Rules. Details of the Group's corporate governance practices are set out in the Corporate Governance Report in this report.

The Group recognises the importance of compliance with legal and regulatory requirements and reviews its compliance with the existing and newly enacted/revised laws and regulations relevant to its operations from time to time. The Company is not aware of any non-compliance in any material respect with the relevant laws and regulations that have significant impact on the businesses and operations of the Group in 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and to the knowledge of the Directors, there is sufficient public float of more than 25% of the shares of the Company as at the date of this report.

OUR APPRECIATION

Once again, we would like to extend our heartfelt appreciation for the unwavering support, invaluable contributions and steadfast commitment of our shareholders, creditors and business partners during the most challenging period in our history when we faced extreme financial difficulties. Your unwavering commitment has been the foundation of our ability to weather these financial difficulties and emerge with renewed strength. Your trust and collaboration have been vital to our turnaround and we are dedicated to leveraging them to drive sustainable growth and long-term value.

Today, as we continue to navigate a global landscape marked by trade uncertainties, geographical tensions and operational disruptions, your continuous partnership inspires confidence in our shared path forward. Together, we are confident in our collective ability to adapt, innovate and thrive in the face of adversity with resilience and determination, and we look forward to achieving new milestones together in 2026 and beyond.

By order of the Board
Chan Ho Yee
Executive Director

Hong Kong, 13 February 2026

Corporate Governance Report

INTRODUCTION

The Board believes that good and effective corporate governance practices are key to maintaining management quality, promoting sound internal control and enhancing the relationship with all stakeholders, which are essential for encouraging accountability and transparency. During 2025, the Company has been committed to achieving a high standard of corporate governance and continued to apply the principles and code provisions in the Corporate Governance Code set out in Appendix C1 to the GEM Listing Rules as its corporate governance practices.

THE BOARD OF DIRECTORS

Responsibilities

The Board holds the responsibility for leadership and oversight of the Company, promoting its success and guiding its affairs to foster business development and enhance shareholder value. In fulfilling their duties, the Directors are required to act in good faith, comply with applicable laws and regulations, make decisions objectively and prioritise the interests of the Company and its shareholders. While daily operational matters are delegated to the Group's management, the Board is responsible for developing and reviewing corporate governance policies and practices, ensuring compliance with legal and regulatory requirements, and overseeing the training and professional development of directors and senior management. Furthermore, the Board has the responsibility for regularly reviewing the code of conduct and compliance manual applicable to employees and directors and ensuring the Group's adherence to the Corporate Governance Code and appropriate disclosure in the Corporate Governance Report.

Board Composition

The Board currently comprises six Directors, of whom three are executive Directors and three are independent non-executive Directors, having diversified skills and experience in business operation, corporate management and financial management. Details of the Directors' background are set out in the section headed "Biographical Details of the Directors" of this report. In 2025, the Company had been in compliance with Rules 5.05(1) and (2) of the GEM Listing Rules and Ms. Pang King Sze Rufina, an independent non-executive Director, possesses professional qualifications in accounting and financial management expertise. There is no financial, business, family or other material or relevant relationship between members of the Board.

Diversity, Nomination and Continuing Professional Development of Directors

The Company seeks to achieve Board diversity in a number of aspects such as gender, age, cultural and educational background, professional qualifications, work experience, skills, knowledge and length of service as well as other factors based on its own business development and specific needs from time to time. As such, in assessing and selecting a director candidate, the criteria to be considered including but not limited to (i) qualifications (including professional qualifications, skills, knowledge and experience); (ii) commitment to devoting time and efforts to the duties and activities of the Board; (iii) requirement for the Board to have sufficient number of independent Directors and whether the candidate for independent non-executive Director would be considered independent in accordance with the GEM Listing Rules; and (iv) such other perspectives that are appropriate to the Company's business and succession plan from time to time. During the year, the nomination committee of the Board has reviewed and considered that the diversity policy of the Board had been achieved.

The Board recognises the importance of continuing professional development and knowledge enhancement of the Directors for their continuous contribution to the Company. In 2025, the Directors had acquired relevant materials and had attended training courses on topics relating to the market and regulatory matters. During the year ended 31 December 2025, no new Director was appointed.

Term of Appointment and Re-election

Pursuant to the Bye-Laws of the Company, one third of the Directors (except the chairperson or managing director of the Company) shall retire from office by rotation and are subject to re-election at the annual general meetings of the Company. Further, all Directors appointed to fill casual vacancies shall hold office only until the next annual general meeting and shall be eligible for re-election at the meeting.

Chairperson and Chief Executive

To ensure a balance of power and authority, a clear division of the responsibilities of the chairperson of the Board and the chief executive has been set out in the Company's policies. The chairperson is mainly responsible for providing leadership to the Board, encouraging all Directors to make full and active contributions to the Board's affairs and ensuring that the Board acts in the best interest of the Group, as well as matters relating to the Company's corporate governance and communication with shareholders. The chief executive is responsible for implementation of the Group's strategies and policies adopted by the Board in achieving the overall commercial objectives and assumes full accountability to the Board for the operation of the Group. During the year, the office of the chief executive was vacated. The Board will continue to identify a suitable candidate with appropriate knowledge, skill and experience.

Company Secretary

The Company Secretary is appointed by the Board and reports to the Board. The Company Secretary assists the Board in discharging its obligations pursuant to the GEM Listing Rules and the Bye-laws of the Company and supports the Board and its committees by ensuring information flow within the Board and that Board policies and procedures are followed. He also assists the chairperson of the Board in preparing the agenda for Board meetings and ensures that all applicable rules and regulations regarding the meetings are observed. Mr. Leung Ka Ho is currently the Company Secretary. He is a member of the Hong Kong Institute of Certified Public Accountants and has taken no less than 15 hours of relevant professional training during the year.

Board Meetings

All Directors have access to the relevant materials and are provided with adequate information which enables the Board to make informed decision on the matters proposed and considered at Board meetings. Details of the Board meetings and general meetings held in 2025 are as follows:

| | Board meetings | General meetings |
|---|----------------|------------------|
| Mr. Jin Guangwu (<i>Co-Chairman</i>) | 4/4 | 1/1 |
| Ms. Chan Ho Yee | 4/4 | 1/1 |
| Ms. Pang King Sze, Rufina | 4/4 | 1/1 |
| Mr. Huang Zhe | 4/4 | 1/1 |
| Mr. Cheung Chi Wing (<i>Co-Chairman</i>) (appointed on 14 January 2026) | N/A | N/A |
| Mr. Hon Ming Sang (appointed on 14 January 2026) | N/A | N/A |
| Mr. Zhang Chuanbang (resigned on 14 January 2026) | 4/4 | 1/1 |
| Mr. Pan Zhen (resigned on 14 January 2025) | N/A | N/A |

DELEGATION BY THE BOARD

The Board is responsible for making decision on the overall strategic development of the Group's businesses. Responsibilities in relation to the daily operations and execution of the strategic business plans are delegated to management. The audit committee, the remuneration committee and the nomination committee of the Board have their terms of reference which define their power and responsibilities. All committees are required to report to the Board in relation to their decisions, findings and/or recommendations, and in certain situations, to seek the Board's approval before taking any action. The Board from time to time reviews and adjusts its delegations to ensure that the delegations are appropriate.

Audit Committee

The audit committee of the Board comprises three members, all being independent non-executive Directors. The chairperson of the committee is Ms. Pang King Sze, Rufina and the other members are Mr. Huang Zhe, Mr. Zhang Chuanbang (resigned on 14 January 2026) and Mr. Hon Ming Sang (appointed on 14 January 2026). The audit committee's primary duties include making recommendation to the Board in relation to the appointment, re-appointment and removal of external auditors, reviewing the Group's financial statements, annual and interim reports and the independent auditor's report to ensure presentation of a true and balanced assessment of the Group's financial position (including major judgmental areas, compliance with accounting principles and standards, compliance with GEM Listing Rules and financial reporting requirements), reviewing the Group's financial information and reporting procedures, internal controls and risk management policies and systems, effectiveness of the internal audit functions, audit plans and relationship with external auditors and reviewing the Group's financial and accounting policies and practices. The audit committee has discharged its responsibilities by reviewing the interim and annual results of the Group for the year ended 31 December 2025 and the relevant statements and reports for approval by the Board; discussion with the external auditor and its findings on the work performed and the related internal control issues; reviewing significant financial reporting judgments in accounting policies; reviewing and approving the external auditor's terms of engagement (including audit fee). During the year, there were two meetings of the audit committee and all members attended the meetings. The committee has been adequately resourced to fulfil its responsibilities.

Remuneration Committee

The remuneration committee of the Board comprises three members, all being independent non-executive Directors. The chairperson of the committee is Ms. Pang King Sze, Rufina and the other members are Mr. Huang Zhe and Mr. Zhang Chuanbang (resigned on 14 January 2026) and Mr. Hon Ming Sang (appointed on 14 January 2026). The responsibilities of the remuneration committee include making recommendations to the Board on the policies and structures for the remuneration of Directors and senior management of the Group, assessing performance of the Directors as well as reviewing and making recommendations on the Company's share option/award schemes, bonus structure, provident fund and other compensation-related issues with reference to factors such as size of the Group's operation, duties and responsibilities of the Directors and prevailing market condition. The remuneration committee has reviewed the emoluments of Directors and senior management and considered that they are fair and reasonable. During the year, there was one meeting of the remuneration committee and all the members attended the meetings. The committee has been adequately resourced to fulfil its responsibilities.

Nomination Committee

The nomination committee of the Board comprises three members, all being independent non-executive Directors. The chairperson of the committee is Ms. Pang King Sze, Rufina and the other members are Mr. Huang Zhe and Mr. Zhang Chuanbang (resigned on 14 January 2026) and Mr. Hon Ming Sang (appointed on 14 January 2026). The nomination committee is responsible for establishing nomination policies, reviewing and assessing composition of the Board and the independence of the independent non-executive Directors, and making recommendation to the Board on nomination and appointment of Director and Board succession planning. In assessing the suitability of a proposed candidate for Director, the nomination committee may consider the educational background, qualifications, skills, knowledge and experience of the proposed candidate, the impact of the proposed appointment on the composition, diversity and structure of the Board, and other perspectives appropriate to the Board and the Group's businesses. The nomination committee has reviewed the policies for the nomination and appointment of Directors, the Board's nomination and diversity policies and assessed the independence of the independent non-executive Directors. During the year, there was one meeting of the nomination committee and all members had attended the meetings. The committee has been adequately resourced to fulfil its responsibilities.

SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the required standards on dealings under the GEM Listing Rules as its code of conduct regarding securities transactions by the Directors. Each of the Directors has confirmed that he/she had complied with the required standards in 2025.

FINANCIAL REPORTING

The Directors acknowledge their responsibilities for the preparation and the true and fair presentation of the consolidated financial statements of the Group in accordance with Hong Kong Accounting Standards and the disclosure requirements of the GEM Listing Rules. In preparing the consolidated financial statements for 2025, the Group has adopted suitable accounting policies and applied them consistently. A statement by the auditor of the Company about its responsibilities for the consolidated financial statements is set out in the Independent Auditor's Report contained in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board recognises that well-managed internal controls enables effective and efficient operations, ensures the reliability of internal and external reporting and assist in compliance with applicable laws and regulations while the ever-changing business environment call for periodic review of the system of risk management and internal controls. The Board and the audit committee take responsibility for (i) assessing and identifying the risks the Group may encounter; (ii) designing the Group's risk management and internal control policies and systems (including the environmental, social and governance aspects of the Group); and (iii) overseeing and reviewing its effectiveness. While the Group's management is primarily responsible for implementing the policies and procedures of risk management and internal controls. The Company's internal audit function is performed by the finance department, which reports directly to the Directors and has direct access to the chairperson of the audit committee. The finance department has unrestricted access to review all aspects of the Group's business activities and its tasks in respect of its internal audit functions include: (i) reviewing and reporting on internal and operational controls; (ii) following-up on the suggestions made by external auditors; and (iii) reviewing the areas of concern identified by senior management. The Board considers that the risk management and internal control systems of the Group, which are subject to review by the Board at least once a year, are effective and adequate.

AUDITOR'S REMUNERATION

BDO Limited is the external auditor of the Company for the year ended 31 December 2025 and the audit fee (excluding disbursements) is HK\$1,050,000 (2024: HK\$1,100,000). During the year, BDO Limited did not render any non-audit service to the Group.

INVESTOR RELATIONS AND SHAREHOLDERS' RIGHTS

The Company aims to provide a high standard of disclosure and transparency to its shareholders and investors. The Company has a number of channels to communicate with shareholders and potential investors on the performance of the Company, including (i) publication of interim and annual reports; (ii) holding of annual general meetings and special general meetings which provide a forum for shareholders to raise comments and exchange views with the Board; (iii) making available information required to be disclosed pursuant to the GEM Listing Rules and publication of the key information of the Group on the website of the Company; and (iv) engaging the Company's share registrar in Hong Kong to serve the shareholders on all share registration matters. Shareholders are encouraged to attend the general meetings of the Company in which the Directors are available to answer shareholders' questions on the Group's businesses and affairs at the meetings.

CONSTITUTIONAL DOCUMENTS

During the year, there was no change to the Bye-laws of the Company.

Environmental, Social and Governance Report

INTRODUCTION

It is the Company's vision that sustainability can be achieved by operating a profitable business without compromising the well-being of both the society and the environment and a sustainable business model integrating a balance between profitability, plant and people is the foundation for long term development. Central to this belief was the integration of sustainability into the Group's core business strategy. In 2025, the Group has continued its mission in sustainability performance in areas relevant to its operations, including employment and labour practices, environmental protection, social community and corporate governance. By prioritizing employment and labor practices, the Group has strengthened workplace safety protocols, expanded employee development programs and developed diversity initiatives across all organizational tiers. In environmental protection, efforts have centered on reducing carbon emissions, optimizing resource efficiency and prioritizing investments in renewable energy solutions. The Group's social community initiatives have fostered active employee participation in local volunteer programs, while enhanced corporate governance measures have reinforced transparency, accountability and ethical leadership.

This report summarises the environmental, social and governance ("ESG") initiatives, plans and performance of the Group during the year.

BOARD STATEMENT

The Board views the integration of sustainability into business strategy and daily operation crucial to the pursuit of business development. It has established an ESG Workgroup comprising an executive director and an independent non-executive director which is responsible to make recommendations to the Board on the Group's ESG goals, objectives and strategies. It oversees, reviews and evaluates actions taken by the Group to progress its ESG priorities and goals. The workgroup also reviews and reports to the Board on sustainability risks and opportunities, and assesses emerging sustainability issues and trends that could impact the Group's business operations and performance.

The Board has oversight and ultimate accountability for the Group's ESG strategies, as well as its management, performance and reporting with the support of the Audit Committee and the ESG Workgroup which play complementary roles. Directors are charged with the task of promoting long-term sustainable success of the Group and making decisions in the interests of the Group with due regard to sustainability consideration. The Board examines and approves ESG goals, objectives, policies and frameworks and reviews their implementation progress and achievement, while ensuring alignment with the Group's business strategies. The Audit Committee and the ESG Workgroup report to the Board on ESG risks, opportunities and assurance as well as their impact on business strategies.

ESG STRATEGIES

The Board exercises significant responsibility over ESG matters, which include integrating factors such as ESG governance, strategies and reporting into decision-making processes and overseeing ESG-related risks and opportunities. In order to ensure the effectiveness of the Group's ESG risk management and internal control mechanism in compliance with the relevant laws and regulations and meeting its business needs and stakeholders' expectations, the Board liaises with the management on an on-going basis to assess relevant ESG data, identify and prioritise the Group's ESG issues, discuss and review the Group's ESG-related risks and opportunities, policies and performance. In the opinion of the Board, the Group's ESG strategies have incorporated environmental, social and governance elements in its daily operations and management.

REPORTING PRINCIPLES

The preparation of this report follows the Environmental, Social and Governance Reporting Guide set out in Appendix C2 of the GEM Listing Rules. Information relating to the Group's corporate governance is set out in the Corporate Governance Report of this annual report. The information presented in this report is based on the principles of materiality, quantity, balance and consistency detailed as follows:

- Materiality:** The topics covered in this report have reflected the considerable effects of the Group on the economy, environment and society. The material issues are identified and determined by internal materiality assessments.
- Quantitative:** In addition to the disclosure of the standards and methodologies used in the calculation of relevant data in this report and the applicable assumptions, the key performance indicators are supplemented by explanatory notes to establish benchmarks where applicable.
- Balance:** The Group objectively reports the overall sustainability performance in terms of environmental, social and governance areas.
- Consistency:** The Group has adopted consistent methodologies to allow for meaningful comparison of its ESG performance. Any material change in methodologies and reporting scopes is explained as notes in this report.

STAKEHOLDER ENGAGEMENT

The Group appreciates the opinion of its principal stakeholders (including employees, customers and suppliers, investors and shareholders, business partners and alliances, government and regulators, and the community) and values their contribution which is fundamental to the Group's sustainable development and success. The Group communicates with its stakeholders through the following channels:

| Stakeholders | Communication Channels | Expectations |
|---------------------------------------|--|--|
| Employees | <ul style="list-style-type: none"> Employee performance evaluation On-the-job coaching Training and briefing Exit interviews | <ul style="list-style-type: none"> Employees' remunerations, rights and welfares Equal opportunities Training and development Occupational health and safety |
| Shareholders and investors | <ul style="list-style-type: none"> Announcements, circulars and financial reports Shareholders' meetings Company's website | <ul style="list-style-type: none"> Corporate governance Financial performance Sustainable business development Safeguarding of shareholders' interest and fair treatment; Transparency in information and effective communication |
| Customers | <ul style="list-style-type: none"> Feedback from customers Direct communications Business meetings and discussion | <ul style="list-style-type: none"> Product and service quality Trustworthy relationship Operate with integrity Compliance with laws and regulations |
| Suppliers | <ul style="list-style-type: none"> Feedback from suppliers Direct communications Business meetings and discussion | <ul style="list-style-type: none"> Fair competition Origin and stability of supplies Business ethics and reputation |
| Government and regulatory authorities | <ul style="list-style-type: none"> Responses to enquiries Publications on the websites of the Stock Exchange and the Company Official and verbal correspondence | <ul style="list-style-type: none"> Compliance with relevant laws and regulations Prevention of corruption behaviors |
| Media and the public | <ul style="list-style-type: none"> Financial reports and announcements Contribution to community ESG reports Company's website | <ul style="list-style-type: none"> Contribution to community Environmental protection Operational compliance |

MATERIALITY ASSESSMENT

Recognising that stakeholder concerns and expectations evolve over time, the Group conducted a comprehensive assessment in 2025 to prioritise the most significant ESG issues that may affect its businesses. The key focus areas of this assessment include:

| Stakeholders | Communication Channels | Expectations |
|---------------------------------|---|--|
| Environmental Protection | <ul style="list-style-type: none"> Climate change Waste management Efficient use of resources Enhancing environmental protection consciousness of staff | <p>Medium</p> <p>Medium</p> <p>Medium</p> <p>Low</p> |
| Operating Practices | <ul style="list-style-type: none"> Corporate Governance Compliance with relevant laws and regulations Anti-corruption | <p>High</p> <p>High</p> <p>High</p> |
| Product and Service Quality | <ul style="list-style-type: none"> Product and service quality Technology development Customer privacy | <p>High</p> <p>High</p> <p>High</p> |
| Employment and Labour Practices | <ul style="list-style-type: none"> Remuneration and welfare of employees Career development Safe and healthy working environment Employee diversity and inclusion | <p>High</p> <p>High</p> <p>Medium</p> <p>Medium</p> |
| Community | <ul style="list-style-type: none"> Community development Encouraging employees to contribute to society | <p>Low</p> <p>Low</p> |

This structured approach enables the Group to align its sustainability strategy with both stakeholder priorities and its long-term business objectives.

ENVIRONMENTAL ASPECTS

General

Although its business operations do not generate significant emission, water pollutants and hazardous wastes, the Group appreciates global warming concerns and importance of environmental protection and has been exploring operational procedures/models for less adverse impact on the environment. In 2025, the Group mainly focused on the environmental impact of its office operations in Hong Kong and the measures to minimise greenhouse gas emissions and non-hazardous wastes generated from operations. During the year, the Group has complied with Air Pollution Control Ordinance, Waste Disposal Ordinance and Water Pollution Control Ordinance and was not aware of any non-compliance with the laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

Greenhouse Gas Emissions

The Group's business operation does not lead to significant direct emission of air pollutants and greenhouse gases and electricity consumption is its largest source of greenhouse emission. Accordingly, the Group did not have any significant direct greenhouse emission (Scope 1) for 2024 and 2025 and its indirect greenhouse emission (Scope 2) amounted to 8.6 tonnes (carbon dioxide equivalent) in 2025 (2024: 8.5 tonnes). Greenhouse emissions are calculated with reference to "Appendix 2: Reporting Guidance on Environmental KPIs" to "How to prepare an ESG Report" released by the Stock Exchange in 2020. The Group has implemented a number of measures to mitigate electricity consumption such as keeping office temperature at moderate level and installing LED lighting or energy-saving lighting systems.

Waste Management

The Group adheres to waste management principles and strives to properly manage and dispose of wastes produced by its business operations. The Group's waste management practices have complied with relevant laws and regulations and, in 2025, the Group did not generate hazardous waste in the course of its business operation and the non-hazardous wastes generated by it mainly comprised paper and packaging materials. The Group seeks to minimise consumption of paper and packaging materials through comprehensive waste reduction initiative, including:

- (i) promoting paperless operations through electronic communication and document management system;
- (ii) prioritising recycled paper and eco-friendly packaging alternatives;
- (iii) enforcing duplex printing standard and digital document sharing protocols; and
- (iv) eliminating disposable items across all operational processes.

In addition, the Company is in support of the "Proposal to Expand the Paperless Listing Regime and Other Rule Amendments" issued by the Stock Exchange and effective in 2024 and has provided options for shareholders to receive corporate communications electronically for reduction of paper consumption. Through these measures, the Group aims to reduce the amount of non-hazardous waste generated by business operations and promote sustainable waste management practice.

Use of Resources

Energy consumption of the Group is relatively low and mainly comprises electricity purchased. As mentioned above, the Group has energy saving measures in place to minimise its energy consumption where possible. During the year, the electricity consumption of the Group amounted to 11,600 kWh (2024: 11,400 kWh). To minimise energy consumption and associated emissions, the Group prioritises virtual meetings via video/teleconference to decrease staff travel while encouraging public transportation when travel is necessary. In 2025, the Group demonstrated this commitment by transitioning to electronic general meetings, eliminating the carbon footprint of physical gatherings while maintaining effective stakeholder engagement. These initiatives reflect the Group's comprehensive approach to sustainable operations and carbon footprint reduction. The Group does not consume significant water in its business activities and does not have issues relating to sourcing water. During 2025, the Group consumed 43 tonnes (2024: 41 tonnes) of water. While the Group's operations require minimal water consumption, it remains committed to promoting water conservation best practices across all operational processes.

Environmental and Natural Resources

The Group is aware of the environmental impacts it may generate on natural resources when conducting businesses. It regularly assesses environmental risks with focus on its effective use of resources. The Group will continuously monitor whether its business operations will impose any potential impact to the environment and minimise such impact through promoting green office and operating environment by adopting the four principles of reduce, reuse, recycle and replacement. In addition, the Group also issues environmental-related memoranda to staff from time to time to raise their awareness of environmental preservation and to promote the best practice of environmental management.

Climate Change

The climate-related hazards affecting the Group are mainly extreme weather conditions (typhoons and rainstorms), especially in the summers. The Group recognises that climate change has been affecting different dimensions of its stakeholders, business operations and community. The Group has been making efforts to ensure smooth business operations even during such conditions and to mitigate the risks and impacts posed to the Group. In addition, the Group is aware that the risks brought about by the extreme weather conditions may endanger the health and safety of its employees. The Group has developed comprehensive typhoon and rainstorm arrangements to safeguard staff's health and safety, including reporting for duty, early release from work, resumption of work and special arrangements in respect of essential staff in times of adverse weather. The Group also gives consideration as much as possible to different situations faced by individual employees (such as their place of residence, the road and traffic conditions in the vicinity) and adopts a sympathetic and flexible approach with due regard to their actual difficulties and needs. The Group also reminds and keeps employees updated on the latest weather condition through emails/text messages under extreme weather conditions.

SOCIAL ASPECT

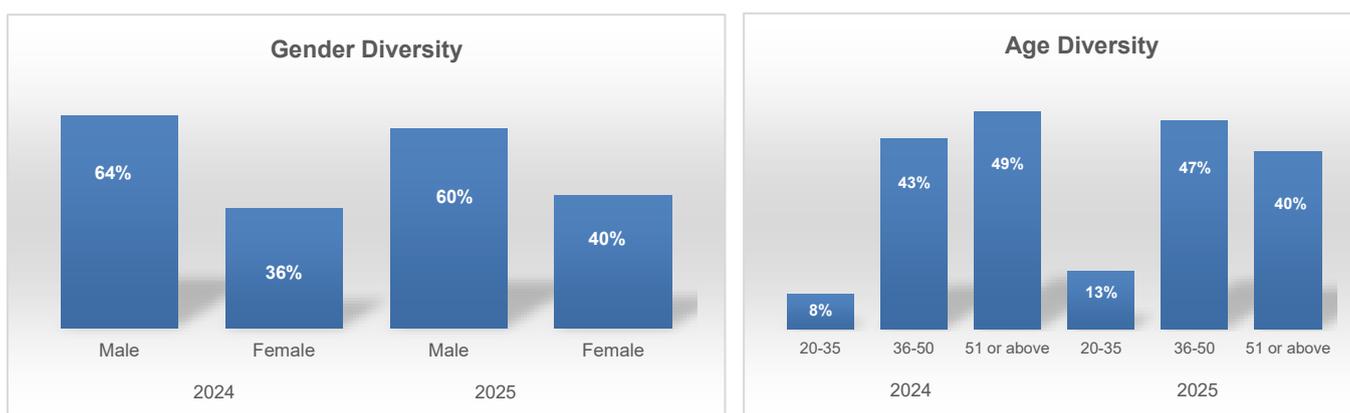
Employment and Labour Practices

Employment

The Group recognises that its success and competitiveness depend highly on the skills and commitment of its employees and regards them as its valuable assets. Accordingly, the Group maintains a policy of strict compliance with all employment laws and regulations. The human resources and administration department is responsible for compliance with relevant employment laws and regulations and ensures that all existing benefits, welfare and employment terms are in compliance with laws and regulations. The Group has also formulated comprehensive human resources policies in the staff manual. During the year, the Group has complied with the Employment Ordinance, the Sex Discrimination Ordinance, the Disability Discrimination Ordinance, the Family Status Discrimination Ordinance and the Race Discrimination Ordinance. It has also followed the relevant regulations and policies in respect of recruitment, promotion, dismissal, equal opportunities, diverse culture and anti-discrimination. The Group has never employed employees with basic salaries below the statutory minimum wage, nor employed any minor or forced labour under the Employment of Children Regulations. The Group was not aware of any material non-compliance with the laws and regulations relating to employment and labour practices in 2025.

Diversity, Equal Opportunity and Anti-discrimination

The Group believes that diversity stimulates productivity, creativity and perspectives and an inclusive working environment is essential to the core value of the Group. The Group's recruitment and promotion are based on individual candidates' educational background, work experience, qualifications, job performance, personalities and aspiration for advancement, etc.. The Board considers that the Group has provided a supportive working environment by treating employees fairly and equally. Gender and age equality have been observed by the Group with a reasonable ratio of male and female employees of different age groups. In 2025, all of the Group's employees were full-time employees, the breakdowns of which are as follows:



Remuneration and Benefits

The Group's remuneration policy is based on principles of equality, motivation, performance-oriented and market competitiveness and remuneration packages are normally reviewed on an annual basis. Other staff benefits including provident fund contributions, medical insurance and performance-related bonus are provided. The Group has also established a share option scheme and a share award scheme to reward and motivate its employees.

Work-life Balance

The Group places a high value on the physical and mental well-being of its employees. Social events and staff development programs were held for employees during the year to cultivate a culture of healthy work-life balance and create a positive working environment.

Health and Safety

It is of paramount importance to ensure a safe and healthy workplace for employees and the Group spares no effort to safeguard the safety of its employees and workplace. The Group's management team is responsible for identifying actual and potential hazards and risks to the employees, ensuring a safe and hygienic work environment in compliance with relevant laws and regulations. During the year, the Group did not encounter any incident of non-compliance with all occupational health and safety-related laws and regulations including but not limited to Occupational Safety and Health Ordinance. The Group also ensures that there are adequate first-aid facilities in workplace and that all emergency exits remain unimpeded and unlocked. The outbreak of COVID-19 pandemic has brought an unprecedented impact to the community. To continue business in the new normal, the Group has placed great concern to improve indoor air quality and hygiene in its office premises and provides staff with hygiene masks and sanitizers with disinfectants to reduce the chance of staff being suffered from respiratory infection. A pandemic safety guidance has been provided to employees to raise their awareness of the pandemic and flus. The Group has installed appropriate lighting systems to ensure the staff can work under sufficient and comfortable lighting. Besides, more frequent cleansing and disinfection measures were conducted to ensure a neat and clean workplace. The Group will continue its efforts to promote a caring working environment to its employees.

Development and Training

The Group appreciates that skills and experience are key to corporate sustainable development and emphasizes on staff training. The Group has dedicated significant resources to attract and retain talented employees and to ensure that staff grow with competence and skill sets alongside the business. Management is required to coordinate with the human resources and administrative department to formulate suitable training programs to employees based on their needs. In addition to on-the-job training and coaching, the Group also encourages its staff to pursue progress and continuous learning to keep up-to-date knowledge corresponding to their duties.

Supply Chain Management

The Group is aware of the environmental and social risks along the supply chain and therefore encourages sustainable development of its suppliers. If there is a significant environmental and social risk along the supply chain, the Group's management shall discuss with the Board about risk responses. To maintain an efficient operation and a sustainable supply chain, the Group has deployed a supply chain management policy to select, assess and engage suppliers based on their qualifications and performance and to periodically evaluate and monitor their compliance with laws and regulations relating to environmental and social policies, service standards and quality provisions. In addition to the suppliers' contractual obligations under the relevant laws and regulations to ensure their compliance with environmental and social policies, the Group has gradually taken environmental consideration into the supply chain management and will continue to integrate the environmental vision into the procurement process.

Product and Service Responsibility

The Group offers quality products grounded on responsible operating practices. Although health and safety risks involved in the Group's products and services are relatively insignificant, it attaches great importance to the quality of the products and services provided to customers by strictly observing the laws and regulations related to product quality. During the year, the Group did not record any material complaint related to products and services nor was it aware of any material non-compliance with laws and regulations in relation to health and safety, advertising, labelling and privacy matters. More importantly, the Group sees its culture and capability in providing products and solutions to help customers in achieving their sustainability goals as a strategic competitiveness and a key strategic area for business growth. It commits to meeting customers' needs for more sustainable products and services through innovation and sound business ethics.

Privacy Protection

The Group is serious in protection of the confidential information of its customers and employees and has implemented policies relating to data protection. The Group segregates employee access to sensitive data, allowing access to only the relevant employees for carrying out their roles and responsibilities. Any violation of Group's privacy policy is considered major misconduct and is subject to disciplinary actions. During the year, the Group has complied with The Personal Data (Privacy) Ordinance.

Anti-corruption

The Group maintains a high standard of business integrity throughout its operation and does not tolerate corruption or bribery in any form. The Group will trade with only the persons who are impartial and for the benefits of the Group. In addition, the Group has established a code of conduct on prohibition of bribery and corruption, acceptance/offering of gifts/advantages and abuse of office, as well as declaration of conflict of interests. Accepting gifts, entertainment activities or bonuses which do not comply with the normal social etiquette and ethical business practices are strictly prohibited. The Group has also implemented whistleblowing policy to encourage employees and related third parties who deal with the Group to voice any suspected misconduct, malpractice, illegal act or failure to act. Whistleblowers can report via email directly to the audit committee and the company secretary with regards to any suspected misconduct. During the year, the Group has complied with the Prevention of Bribery Ordinance and the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

Community

The Group has always been philanthropic and strived to be a good corporate citizen and encourage its staff to spend time and efforts in community projects and make contribution to the community.

WAY FORWARD

The Group remains steadfast in its commitment to responsible business conduct, operating with integrity while prioritising importance to environmental stewardship, social responsibility and strong corporate governance. The Board will continue to evaluate and adapt to ESG strategies to align with evolving societal expectation and regulatory requirements. This on-going process will strengthen the Group's long-term value creation, enhance resilience against ESG-related risks and reinforce its as a responsible corporate citizen.

Independent Auditor's Report



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To the shareholders of Almana Limited
(Incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Almana Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 17 to 41, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

As at 31 December 2025, the Group had gross trade receivables of approximately HK\$14,996,000 and loss allowance of approximately HK\$1,035,000. We identified impairment assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group's consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the expected credit loss ("ECL") of the Group's trade receivables at the end of the reporting period.

The Group applies the HKFRS 9 simplified approach to measure ECLs which uses a lifetime expected loss allowance for all trade receivables through grouping of various debtors that have similar credit risk characteristics based on nature and industry of debtors. The management performed assessment to measure the ECLs with consideration of the debtor's background and historical payment record during the year and the key economic variables impacting credit risk to estimate the risk of default and expected loss rates. Trade receivable with significant balance and credit impaired is assessed for ECL individually. The Group assesses ECL on this trade receivable with significant balance and credit impaired based on probability of default, loss given default and adjusted for forward-looking factors specific to the debtor.

The accounting policies and disclosure for estimation of impairment of trade receivables are included in Notes 4.2(ii), 5(iii), 20 and 34(c) to the consolidated financial statements.

Our response:

Our audit procedures in relation to management's impairment assessment on trade receivables included:

- understanding key procedures on how the management estimates the credit loss allowance for trade receivables;
- challenging management's basis and judgement in determining credit loss allowance on trade receivables as at year end date, including their identification of credit-impaired trade receivables, the reasonableness of management's grouping of the remaining trade debtors into different categories in the provision matrix, basis of estimated loss rates applied in each category in the provision matrix adjusted for forward-looking information;
- testing the integrity of information used by management to develop the provision matrix by checking supporting information for the nature and industry of the debtors, on a sample basis; and
- assessing the estimates used to determine the expected credit losses by considering cash collection performance against historical trends and assessing the reasonableness of the key parameters and assumptions included in the expected credit loss model including loss given default and forward-looking factors for both collectively and individually assessed debtors; and probability of default for individually assessed debtor.

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

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 Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

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

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

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

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

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

BDO Limited
Certified Public Accountants

PAK, Tak Lun, Amos
Practising Certificate Number: P06170

Hong Kong, 13 February 2026

Consolidated Statement of Profit or Loss

For the year ended 31 December 2025

| | <i>Notes</i> | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|---|--------------|--------------------------------|-------------------------|
| Revenue | 7 | 35,506 | 29,155 |
| Cost of sales | | (29,348) | (23,502) |
| Gross profit | | 6,158 | 5,653 |
| Other income, gains and losses | 8 | 706 | 29 |
| Administrative expenses | | (4,404) | (5,164) |
| Finance costs | 9 | (3) | (3) |
| Impairment loss on trade receivables, net | 20 | (745) | (135) |
| Written-off of other receivable | | - | (30) |
| Profit before income tax | 10 | 1,712 | 350 |
| Income tax expenses | 11 | (22) | (161) |
| Profit for the year attributable to owners of the Company | | 1,690 | 189 |
| Earnings per share attributable to owners of the Company | 13 | | |
| Basic | | HK1.5 cents | HK0.2 cents |
| Diluted | | HK1.5 cents | HK0.2 cents |

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2025

| | 2025 <i>HK\$'000</i> | 2024 <i>HK\$'000</i> |
|--|--------------------------------|-------------------------|
| Profit for the year | 1,690 | 189 |
| Other comprehensive income | | |
| Item that will not be reclassified subsequently to profit or loss: | | |
| Fair value gain on equity investments at fair value through other comprehensive income, net of tax | - | 302 |
| Other comprehensive income for the year, net of tax | - | 302 |
| Total comprehensive income for the year attributable to owners of the Company | 1,690 | 491 |

Consolidated Statement of Financial Position

As at 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|---|-------|------------------|------------------|
| Non-current assets | | | |
| Property, plant and equipment | 16 | 2,488 | 2,500 |
| Right-of-use assets | 17(a) | 33 | 91 |
| Equity investments at fair value through other comprehensive income | 18 | - | 379 |
| Prepayment | 21 | - | 2,500 |
| | | 2,521 | 5,470 |
| Current assets | | | |
| Inventories | 19 | 358 | 237 |
| Trade receivables | 20 | 13,961 | 6,894 |
| Prepayments, other receivables and other assets | 21 | 5,419 | 6,843 |
| Bank balances and cash | 22 | 5,145 | 7,020 |
| | | 24,883 | 20,994 |
| Total assets | | 27,404 | 26,464 |
| Current liabilities | | | |
| Trade payables | 23 | 2,265 | 1,982 |
| Other payables and accruals | 24 | 1,061 | 2,054 |
| Lease liabilities | 17(b) | 33 | 56 |
| Current tax liabilities | | 636 | 618 |
| | | 3,995 | 4,710 |
| Net current assets | | 20,888 | 16,284 |
| Total assets less current liabilities | | 23,409 | 21,754 |
| Non-current liabilities | | | |
| Lease liabilities | 17(b) | - | 35 |
| NET ASSETS | | 23,409 | 21,719 |
| Capital and reserves | | | |
| Share capital | 25 | 9,109 | 9,109 |
| Reserves | 27 | 14,300 | 12,610 |
| TOTAL EQUITY | | 23,409 | 21,719 |

The consolidated financial statements were approved and authorised for issue by the board of directors on 13 February 2026 and are signed on its behalf by:

Chan Ho Yee
Director

Pang King Sze, Rufina
Director

Consolidated Statement of Changes in Equity

As at 31 December 2025

| | Share capital <i>HK\$'000</i> <i>(Note 25)</i> | Share premium* <i>HK\$'000</i> <i>(Note 27)</i> | Working capital loan* <i>HK\$'000</i> <i>(Note 27)</i> | Fair value reserve* <i>HK\$'000</i> <i>(Note 27)</i> | Accumulated losses* <i>HK\$'000</i> | Total equity <i>HK\$'000</i> |
|---|---|--|--|---|---|------------------------------------|
| Balance as at 1 January 2025 | 9,109 | 15,917 | – | (578) | (2,729) | 21,719 |
| Profit for the year | – | – | – | – | 1,690 | 1,690 |
| Other comprehensive income: | | | | | | |
| Release of fair value reserve upon disposal of equity investments at fair value through other comprehensive income (“FVTOCI”), net of tax | – | – | – | 578 | (578) | – |
| Total comprehensive income for the year | – | – | – | 578 | 1,112 | 1,690 |
| Balance as at 31 December 2025 | 9,109 | 15,917 | – | – | (1,617) | 23,409 |

| | Share capital <i>HK\$'000</i> <i>(Note 25)</i> | Share premium* <i>HK\$'000</i> <i>(Note 27)</i> | Working capital loan* <i>HK\$'000</i> <i>(Note 27)</i> | Fair value reserve* <i>HK\$'000</i> <i>(Note 27)</i> | Accumulated losses* <i>HK\$'000</i> | Total equity <i>HK\$'000</i> |
|--|---|--|--|---|---|------------------------------------|
| Balance as at 1 January 2024 | 9,109 | 15,917 | 200 | (880) | (2,918) | 21,428 |
| Profit for the year | – | – | – | – | 189 | 189 |
| Other comprehensive income: | | | | | | |
| Fair value gain on equity investments at fair value through other comprehensive income, net of tax | – | – | – | 302 | – | 302 |
| Total comprehensive income for the year | – | – | – | 302 | 189 | 491 |
| Repayment of working capital loan | – | – | (200) | – | – | (200) |
| Balance as at 31 December 2024 | 9,109 | 15,917 | – | (578) | (2,729) | 21,719 |

* The total of these accounts as at the reporting dates represents “Reserves” in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

| | Notes | 2025 HK\$'000 | 2024 HK\$'000 |
|--|-------|------------------|------------------|
| Cash flows from operating activities | | | |
| Profit before income tax | | 1,712 | 350 |
| Adjustments for: | | | |
| Depreciation of property, plant and equipment | 10 | 12 | 11 |
| Depreciation of right-of-use assets | 10 | 58 | 57 |
| Interest income | 8 | - | (13) |
| Impairment loss on trade receivables, net | 20 | 745 | 135 |
| Written-off of other receivable | | - | 30 |
| Finance costs | 9 | 3 | 3 |
| Operating profit before working capital changes | | 2,530 | 573 |
| Increase in inventories | | (121) | (39) |
| Increase in trade receivables | | (7,812) | (4,301) |
| Decrease/(increase) in prepayments, other receivables and other assets | | 3,924 | (6,041) |
| Increase in trade payables | | 283 | 61 |
| Decrease in other payables and accruals | | (993) | (575) |
| Cash used in operations | | (2,189) | (10,322) |
| Hong Kong Tax Paid | | (4) | - |
| Net cash used in operating activities | | (2,193) | (10,322) |
| Cash flows from investing activities | | | |
| Disposal of equity interest at FVTOCI | | 379 | - |
| Interest income received | | - | 13 |
| Net cash generated from investing activities | | 379 | 13 |
| Cash flows from financing activities | | | |
| Repayment of working capital loan | | - | (200) |
| Capital element of lease rentals paid | 31(b) | (58) | (58) |
| Interest element of lease rentals paid | 31(b) | (3) | (3) |
| Repayment to a director | 31(b) | - | (539) |
| Repayment to a third party | 31(b) | - | (37) |
| Net cash used in financing activities | | (61) | (837) |
| Net decrease in cash and cash equivalents | | (1,875) | (11,146) |
| Cash and cash equivalents at the beginning of the year | | 7,020 | 18,166 |
| Cash and cash equivalents at the end of the year | 22 | 5,145 | 7,020 |

Notes to the Consolidated Financial Statements

31 December 2025

1. GENERAL INFORMATION

Almana Limited (“the Company”) is a limited liability company incorporated in Bermuda. The ordinary shares of the Company are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The Company’s principal place of business in Hong Kong is situated at 35/F, Two Pacific Place, 88 Queensway, Admiralty, Hong Kong. The Group, comprising the Company and its subsidiaries, is principally engaged in the sales of household, plantation and accessory products.

2. ADOPTION OF HKFRS ACCOUNTING STANDARDS

2.1 Change in accounting policy

The HKICPA has issued the blow amendments to HKFRS Accounting Standards that are first effective for the current accounting period of the Group:

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

As the currencies that the Group had transacted and the functional currencies of overseas group entities for translation into the Group’s presentation currency were exchangeable, the amendments did not have any impact on the Group’s financial statements.

The Group has not early applied any new or amended HKFRS Accounting Standards that is not yet effective for the current accounting period.

2.2 New or amended HKFRSs that have been issued but are not yet effective

The following new or amended HKFRS Accounting Standards, potentially relevant to the consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group. The Group’s current intention is to apply these changes on the date they become effective.

| | |
|---|--|
| Amendments to HKFRS 9 and HKFRS 7 | Classification and Measurement of Financial Instruments 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 and its amendments | Subsidiaries without Public Accountability: Disclosures ² |
| Amendments to HKFRS 10 and HKAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³ |
| Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10, and HKAS 7 | Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹ |

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

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

³ No mandatory effective date yet determined but available for adoption.

The Group is currently assessing the impact of these new or amended HKFRS Accounting Standards. Except for the below, these new or amended HKFRS Accounting Standards are preliminary assessed and are not expected to have any significant impact on the Group’s financial statements.

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

3. BASIS OF PREPARATION

3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with all Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRS Accounting Standards”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments which are measured at fair values, as explained in the accounting policies set out below.

3.3 Functional and presentation currency

The consolidated financial statements are presented in Hong Kong dollar (“HK\$”), which is the same as the functional currency of the Company.

4. MATERIAL ACCOUNTING POLICIES

4.1 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Property, plant and equipment are depreciated so as to write off their costs net of estimated residual values over their estimated useful lives on straight-line method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

| | |
|---------------------------------|------------------|
| Plants, machinery and equipment | 20% |
| Leasehold improvements | Over lease terms |
| Furnishing | Not depreciated |

4.2 Financial Instruments

(i) Financial assets

A financial asset (unless it is a trade receivable without a significant financing component) is initially measured at fair value plus, for an item classified as subsequently measured at amortised cost, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Debt instruments, including trade and other receivables, that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are subsequently measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

On initial recognition of an equity investment that is not held for trading, the Group had irrevocably elect to present subsequent changes in the investment’s fair value through other comprehensive income (“FVTOCI”). This election is made on an investment-by-investment basis. Equity investments at FVTOCI are subsequently measured at fair value. Dividend income is recognised in profit or loss unless the dividend income clearly represents a recovery of part of the cost of the investments. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss. All other debt and equity instruments are classified as fair value through profit or loss (“FVTPL”), whereby changes in fair value, dividends and interest income are recognised in profit or loss.

(ii) Impairment loss on financial assets

The Group recognises loss allowances for expected credit loss (“ECL”) on trade receivables and financial assets measured at amortised cost. The ECLs are measured on either of the following bases: (1) 12-month ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the assets’ original effective interest rate. The Group measures loss allowances for trade receivables using HKFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. Credit-impaired trade receivables are assessed for ECLs individually. The Group calculates the lifetime ECLs on these receivables based on lifetime probability of default, loss given default and adjusted for forward-looking factors specific to the debtors and the economic environment. Lifetime ECLs for trade receivables which are not assessed individually are estimated by establishing a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For other debt financial assets, the ECLs are based on the lifetime ECLs except when there has not been a significant increase in credit risk since initial recognition, in which case the allowance will be based on the 12-month ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information analysis, based on the Group’s historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be credit-impaired when: (1) significant financial difficulty of the debtor; (2) a breach of contract, such as a default or being more than 90 days past due, or unless the Group has reasonable and supportable information that a more lagging default criteria is more appropriate; (3) the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise; (4) it is probable that the debtor will enter bankruptcy or other financial reorganisation; or (5) the disappearance of an active market for a security because of financial difficulties.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account. The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss. Interest income on credit-impaired financial assets is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset. For non credit-impaired financial assets, interest income is calculated based on the gross carrying amount.

(iii) Financial liabilities

The Group classifies its financial liabilities at amortised cost.

Financial liabilities at amortised cost including trade and other payables are initially measured at fair value, net of directly attributable costs incurred and subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss. Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iv) Equity instruments

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

(v) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKFRS 9. On derecognition of a financial asset measured at amortised cost, the difference between the assets carrying amount and sum of the consideration received and receivable is recognised in profit or loss. Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4.3 Revenue recognition

Sales of household and electronic components, plantation and accessory products

Customers obtain control of the household and electronic components, plantation and accessory products when the goods are delivered to and have been accepted by the customers. Invoices are generated at that point in time and are usually payable within 60-90 days. The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component given the period between when the transfer of control of products to customers and the payment date is one year or less.

No discounts are provided for these products, but some contracts come with standard warranty terms of not more than 3 months, under which customers are able to return and replace any defective products if the goods fail to comply with agreed-upon specifications. Customers also have the right to return the products to the Group within that period if the customers are dissatisfied with the product for cash refunds.

Shipping before control has passed to the customer is considered a fulfilment activity rather than a performance obligation and there is generally only one performance obligation under the contract. Revenue is recognised when the goods are delivered to and have been accepted by customers. Following delivery, the Group no longer has physical possession but have a present right to payment, whilst the customer has full discretion over the manner of use, bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the amount of revenue recognised will be adjusted for expected returns, which are estimated based on the historical data for specific types of products. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. For warranties provided to customers, because they cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications, the Group accounts for warranty in accordance with HKAS 37. Such warranties are not accounted for as separate performance obligations and hence no revenue is allocated to them. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly. As historically there was no goods replacement or liability claim, the Group does not recognise the provision for warranty and no adjustment is made to the amount of revenue recognised.

Revenue from other sources

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

4.4 Income taxes

Income taxes for the year comprise current tax and deferred tax. Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period. Deferred tax is recognised using the liability method in respect of temporary differences. Except for goodwill and initial recognition of assets and liabilities that do not form part of the business combination that affect neither accounting nor taxable profits and does not give rise to equal taxable and deductible temporary difference, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which unused tax losses and deductible temporary differences can be utilised. Deferred tax is measured at the tax rates that have been enacted or substantively enacted at the end of reporting period. Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

4.5 Employee benefits

Short term employee benefit

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

4.6 Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the property, plant and equipment and right-of-use assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased. If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

4.7 Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, which it is probable will result in an outflow of resources embodying economic benefits that can be reliably estimated. Where it is not probable that an outflow of resources embodying economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of resources embodying economic benefits is remote. Possible obligations, the existence of which will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of resources embodying economic benefits is remote.

4.8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Critical accounting judgements and key sources of estimation uncertainty are as follows:

(i) Income taxes

The Group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognises tax liabilities based on estimates of whether additional taxes and interest will be due.

These tax liabilities are recognised when, despite the Company's belief that its tax return positions are supportable, the Company believes it is more likely than not that a taxation authority would not accept its filing position. In these cases, the Group records its tax balances based on either the most likely amount or the expected value, which weights multiple potential scenarios. The Company believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law.

No material uncertain tax positions exist as at 31 December 2025. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

(ii) Useful lives and residual values of property, plant and equipment

The management of the Group determines the residual values, estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual residual value and useful lives of the property, plant and equipment of similar nature and functions. Management will change the depreciation charge where residual values and useful lives are different from the previous estimates. It will also write-off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(iii) Provision for ECL on trade receivables

The Group uses a probability of default to assess ECLs for trade receivables with significant balances and credit-impaired individually. The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

For trade receivables which are not assessed individually, the Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group calibrates the matrix to adjust the historical credit loss experience with forward-looking information. At the reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast in economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's default in the future. The information about ECLs on the Group's trade receivables and related credit risk is disclosed in notes 20 and 34(c), respectively.

6. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker that are used to make strategic decisions.

The Group reportable segments are managed separately as each business offers and requires different business strategies. During the year, the Group has three (2024: three) reportable operating segments:

- (1) The sales of products of household and electronic components (the "Household Business");
- (2) The sales of plantation products (the "Plantation Business"); and
- (3) The sales of accessory products (the "Accessory Business").

The management of the Company monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment results, which is measure of adjusted profit or loss before income tax. The adjusted profit or loss before income tax is measured consistently with the Group's profit or loss before income tax except that unallocated finance income, as well as corporate expenses are excluded from such measurement.

In the opinion of the Directors, the Group's financial services business has been inactive for the past two years. Segment assets exclude unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

- (i) The following summary describes the operations in each of the Group's reportable segments:

Year ended 31 December 2025

| <i>HK\$'000</i> | Household Business | Plantation Business | Accessory Business | Total |
|--|-----------------------|------------------------|-----------------------|---------------|
| Reportable segment revenue | 18,196 | 1,630 | 15,680 | 35,506 |
| Reportable segment profit | 1,628 | 297 | 2,861 | 4,786 |
| Unallocated corporate expenses | | | | (3,071) |
| Finance cost | | | | (3) |
| Profit before income tax | | | | 1,712 |
| Reportable segment assets | 19,590 | 248 | 1,897 | 21,735 |
| Unallocated assets (<i>note</i>) | | | | 5,669 |
| Total assets | | | | 27,404 |
| Reportable segment liabilities | 2,697 | 238 | 169 | 3,104 |
| Unallocated liabilities (<i>note</i>) | | | | 891 |
| Total liabilities | | | | 3,995 |
| Depreciation | – | 58 | – | 58 |
| Unallocated depreciation | | | | 12 |
| | | | | 70 |
| Impairment loss/(reversal of impairment loss) on trade receivables | 1,019 | (274) | – | 745 |
| Finance cost - Interest on lease liabilities | | | | 3 |

Year ended 31 December 2024

| <i>HK\$'000</i> | Household Business | Plantation Business | Accessory Business | Total |
|--|-----------------------|------------------------|-----------------------|---------------|
| Reportable segment revenue | 5,332 | 2,106 | 21,717 | 29,155 |
| Reportable segment profit | 318 | 44 | 3,861 | 4,223 |
| Interest income | | | | 13 |
| Other income | | | | 16 |
| Unallocated corporate expenses | | | | (3,902) |
| Profit before income tax | | | | 350 |
| Reportable segment assets | 11,391 | 4,540 | 2,625 | 18,556 |
| Unallocated assets (<i>note</i>) | | | | 7,908 |
| Total assets | | | | 26,464 |
| Reportable segment liabilities | 590 | 2,073 | 650 | 3,313 |
| Unallocated liabilities (<i>note</i>) | | | | 1,432 |
| Total liabilities | | | | 4,745 |
| Depreciation | – | 57 | – | 57 |
| Unallocated depreciation | | | | 11 |
| | | | | 68 |
| (Reversal of)/Impairment loss on trade receivables | (25) | 165 | (5) | 135 |
| Finance cost - Interest on lease liabilities | | | | 3 |
| Written-off of other receivable | | | | 30 |

Note: Unallocated assets mainly represent corporate assets (2024: corporate assets and financial assets at FVTOCI). Unallocated liabilities mainly represent corporate liabilities.

(ii) **Geographical information**

Revenue from external customers

| <i>HK\$'000</i> | 2025 | 2024 |
|-------------------------------|---------------|--------|
| Hong Kong (place of domicile) | 28,306 | 23,824 |
| The PRC | 3,645 | 678 |
| The United States (the "US") | 3,555 | 4,653 |
| | 35,506 | 29,155 |

Specified non-current assets

| <i>HK\$'000</i> | 2025 | 2024 |
|-------------------------------|--------------|-------|
| Hong Kong (place of domicile) | 2,521 | 2,591 |
| The PRC | – | 2,500 |

The classification of the revenue is based on the location of the customers' operation. The specified non-current assets information above is based on the locations of the assets and/or locations of the operations.

(iii) **Information about major customers**

In 2025, revenue from two customers of the Group amounted to approximately HK\$16,816,000, which individually represents 10% or more of the Group's revenue.

In 2024, revenue from three customers of the Group amounted to approximately HK\$18,401,000, which individually represents 10% or more of the Group's revenue.

7. **REVENUE**

An analysis of revenue as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|---|---------------|--------|
| Revenue from contracts with customers within the scope of HKFRS 15 | | |
| Sales of products of household and electronic components | 18,196 | 5,332 |
| Sales of plantation products | 1,630 | 2,106 |
| Sales of accessory products | 15,680 | 21,717 |
| | 35,506 | 29,155 |

Disaggregated revenue information

| <i>HK\$'000</i> | 2025 | 2024 |
|--------------------------------------|---------------|--------|
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 35,506 | 29,155 |

8. **OTHER INCOME, GAINS AND LOSSES**

| <i>HK\$'000</i> | 2025 | 2024 |
|---------------------------|-------------|------|
| Bank interest income | 1 | 13 |
| Exchange (loss)/gain, net | (75) | 8 |
| Sundry income | 780 | 8 |
| | 706 | 29 |

9. **FINANCE COST**

| <i>HK\$'000</i> | 2025 | 2024 |
|---|-------------|------|
| Interest on lease liabilities (<i>Note 17(b)</i>) | 3 | 3 |

10. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

| <i>HK\$'000</i> | 2025 | 2024 |
|--|---------------|--------|
| Cost of inventories recognised as expenses | 29,348 | 23,502 |
| Auditors' remuneration | | |
| – for the year* | 1,050 | 1,050 |
| – under-provision for prior year* | 58 | 42 |
| Depreciation of property, plant and equipment* (Note 16) | 12 | 11 |
| Depreciation of right-of-use assets* (Note 17(a)) | 58 | 57 |
| Staff costs (including Directors' emoluments – (Note 14)): | | |
| – Salaries and wages* | 1,866 | 2,328 |
| – Defined contribution scheme* | 41 | 42 |

* Included in administrative expenses

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance, for all of its employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme. Under the above scheme, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

11. INCOME TAX EXPENSE

The amount of income tax expenses in the consolidated statement of profit or loss represents:

| <i>HK\$'000</i> | 2025 | 2024 |
|---------------------------------|--------------|------|
| Current tax | | |
| - Hong Kong | | |
| – Over-provision in prior years | (171) | (39) |
| - PRC | 193 | 200 |
| | 22 | 161 |

Hong Kong Profits Tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

Under the Enterprise Income Tax Law of the PRC, the Enterprise Income Tax has been provided at the rate of 25% during the year (2024: 25%).

The income tax expenses for the year can be reconciled to the profit before income tax per the consolidated statement of profit or loss as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|--|--------------|-------|
| Profit before income tax | 1,712 | 350 |
| Tax calculated at the applicable tax rate of 16.5% (2024: 16.5%) | 282 | 58 |
| Effect of different tax rates | 46 | 147 |
| Tax effect of expenses not deductible for tax purposes | 34 | 165 |
| Over provision of taxation in prior years | (171) | (39) |
| Effect of utilisation of tax losses not recognised | (169) | (170) |
| Income tax expenses | 22 | 161 |

The Group had not recognised deferred tax assets in respect of tax losses available for offsetting future assessable profits in respective jurisdiction as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|-------------------|--------------|-------|
| Tax losses | | |
| - Hong Kong | 3,008 | 2,767 |

The tax losses in Hong Kong could be carried forward with an infinity period.

12. DIVIDENDS

The Directors do not recommend any dividend for the year ended 31 December 2025 (2024: Nil).

13. EARNINGS PER SHARE

The calculation of basic earnings per share is based on:

| <i>HK\$'000</i> | 2025 | 2024 |
|---|-------|------|
| Profit for the year attributable to owners of the Company | 1,690 | 189 |

Number of shares

| | | |
|--|-------------|-------------|
| Weighted average number of ordinary shares | 113,868,640 | 113,868,640 |
|--|-------------|-------------|

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2025 and 2024.

14. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of the Directors were as follows:

| <i>HK\$'000</i> | Fee | Salaries, allowance and other benefits | Defined contribution scheme | Total |
|--|------------|--|-----------------------------|------------|
| For the year ended 31 December 2025 | | | | |
| Jin Guangwu [#] | - | - | - | - |
| Pan Zhen [#] (resigned on 14 January 2025) | - | - | - | - |
| Chan Ho Yee [#] | 120 | - | - | 120 |
| Pang King Sze, Rufina [*] | 210 | - | - | 210 |
| Huang Zhe [*] | 96 | - | - | 96 |
| Zhang Chuanbang [*] (resigned on 14 January 2026) | - | - | - | - |
| | 426 | - | - | 426 |
| For the year ended 31 December 2024 | | | | |
| Jin Guangwu [#] | 96 | - | - | 96 |
| Pan Zhen [#] (appointed on 8 November 2024) | - | - | - | - |
| Chan Ho Yee [#] | 120 | - | - | 120 |
| Pang King Sze, Rufina [*] | 300 | - | - | 300 |
| Huang Zhe [*] | 96 | - | - | 96 |
| Zhang Chuanbang [*] (appointed on 5 September 2024) | - | - | - | - |
| Hong Bingxian [*] (resigned on 5 September 2024) | - | - | - | - |
| | 612 | - | - | 612 |

[#] Executive Directors

^{*} Independent non-executive Directors

No emolument has been paid to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil). Mr. Hong Bingxian has waived his director's fee amounted to HK\$8,000 for the year ended 31 December 2024.

15. FIVE HIGHEST PAID INDIVIDUALS

The five individuals with the highest emoluments in the Group, one (2024: one) was Director whose emolument is included in the disclosures in Note 14 above. The emoluments of the remaining four (2024: four) individuals were as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|-------------------------------|------------|--------------|
| Salaries and other emoluments | 941 | 1,221 |
| Defined contribution scheme | 35 | 42 |
| | 976 | 1,263 |

The number of the highest paid non-Directors fell within the following emolument band:

| <i>Number of individuals</i> | 2025 | 2024 |
|------------------------------|------|------|
| Nil to HK\$1,000,000 | 4 | 4 |

16. PROPERTY, PLANT AND EQUIPMENT

| <i>HK\$'000</i> | Plants, machinery and equipment | Leasehold improvements | Furnishing | Total |
|---|---------------------------------------|---------------------------|--------------|--------------|
| 2025 | | | | |
| At 1 January 2025 | | | | |
| Cost | 60 | 167 | 2,483 | 2,710 |
| Accumulated depreciation | (43) | (167) | - | (210) |
| Net carrying amount | 17 | - | 2,483 | 2,500 |
| At 1 January 2025, net of accumulated depreciation | | | | |
| Depreciation provided during the year | (12) | - | - | (12) |
| At 31 December 2025, net of accumulated depreciation | 5 | - | 2,483 | 2,488 |
| At 31 December 2025 | | | | |
| Cost | 60 | 167 | 2,483 | 2,710 |
| Accumulated depreciation | (55) | (167) | - | (222) |
| Net carrying amount | 5 | - | 2,483 | 2,488 |
| 2024 | | | | |
| At 1 January 2024 | | | | |
| Cost | 60 | 167 | 2,483 | 2,710 |
| Accumulated depreciation | (32) | (167) | - | (199) |
| Net carrying amount | 28 | - | 2,483 | 2,511 |
| At 1 January 2024, net of accumulated depreciation | | | | |
| Depreciation provided during the year | (11) | - | - | (11) |
| At 31 December 2025, net of accumulated depreciation | 17 | - | 2,483 | 2,500 |
| At 31 December 2024 | | | | |
| Cost | 60 | 167 | 2,483 | 2,710 |
| Accumulated depreciation | (43) | (167) | - | (210) |
| Net carrying amount | 17 | - | 2,483 | 2,500 |

17. LEASES

The Group as a lessee

The Group has lease contracts for its warehouse used in its operations. The leases for warehouse have non-cancellable lease periods of two years, without any extension option.

The termination option is not reflected in the measurement of lease liabilities. The carrying amounts of lease liabilities are not reduced by the amount of payments that would be avoided from exercising early termination option because it was considered reasonably certain that the Group would not exercise its right to terminate the lease. Total lease payments of HK\$61,000 (2024: HK\$60,000) are potentially avoidable if the Group were to exercise the options at the earliest opportunity.

(a) Right-of-use assets

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

| <i>HK\$'000</i> | Warehouse | Total |
|--|-----------|-----------|
| At 1 January 2024 | 34 | 34 |
| Addition | 114 | 114 |
| Depreciation | (57) | (57) |
| At 31 December 2024 and 1 January 2025 | 91 | 91 |
| Depreciation | (58) | (58) |
| At 31 December 2025 | 33 | 33 |

(b) Lease liabilities

The carrying amounts of the Group's lease liabilities and the movement during the year as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|---|------|------|
| At 1 January | 91 | 35 |
| Commencement of new leases | - | 114 |
| Accretion of interest recognised during the year (Note 9) | 3 | 3 |
| Payments | (61) | (61) |
| At 31 December | 33 | 91 |
| Analysed into: | | |
| Current portion | 33 | 56 |
| Non-current portion | - | 35 |
| At 31 December | 33 | 91 |

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

| <i>HK\$'000</i> | 2025 | 2024 |
|-------------------------------------|-------------|-------------|
| Interest on lease liabilities | 3 | 3 |
| Depreciation of right-of-use assets | 58 | 57 |

18. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

| <i>HK\$'000</i> | 2025 | 2024 |
|------------------------------|-------------|-------------|
| Listed shares, at fair value | - | 379 |

The equity investment was for medium-term investment purpose and designated by the Group as equity investment at FVTOCI. As at 31 December 2024, the Group recognised a fair value gain of approximately HK\$302,000 in other comprehensive income. The Group did not receive any dividend income from the listed equity investments during the financial year 31 December 2024.

The equity investment was disposed of during the year and the Group neither recognised any gain or loss in the fair value of the equity investment nor received any dividend income from the listed equity investment.

19. INVENTORIES

| <i>HK\$'000</i> | 2025 | 2024 |
|-----------------|-------------|-------------|
| Merchandise | 358 | 237 |

Inventories are measured at the lower of cost and net realisable value. During the year, no write-down of inventories (2024: Nil) was recognised in cost of sales.

20. TRADE RECEIVABLES

| <i>HK\$'000</i> | 2025 | 2024 |
|-----------------------------|----------------|--------------|
| Trade receivables | 14,996 | 7,184 |
| Less: Impairment allowances | (1,035) | (290) |
| | 13,961 | 6,894 |

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 60–90 days (2024: 60–90 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

The ageing analysis of the Group's trade receivables at the end of each reporting period, based on invoice dates and net of impairment allowances, is as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|--|---------------|--------------|
| Within 1 month | 3,748 | 1,632 |
| More than 1 month but within 2 months | 3,221 | 1,315 |
| More than 2 months but within 3 months | 1,948 | 317 |
| More than 3 months but within 6 months | 2,405 | 2,061 |
| More than 6 months but within 1 year | 862 | 1,569 |
| More than 1 year | 1,777 | - |
| At 31 December | 13,961 | 6,894 |

The movements in impairment allowances for trade receivables during the year are as follows:

| <i>HK\$'000</i> | 2025 | 2024 |
|-----------------------------|--------------|--------------|
| At 1 January | 290 | 155 |
| Reversal of impairment loss | (290) | (155) |
| Impairment loss recognised | 1,035 | 290 |
| At 31 December | 1,035 | 290 |

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, the Group uses practical expedient in estimating ECLs on trade receivables which are not assessed individually using a provision matrix. As at 31 December 2025, the Group applied simplified approach to measure lifetime ECLs respectively on the Group's trade receivables of sales of household, plantation and accessory products totalling HK\$11,399,000 (2024: HK\$7,184,000). In addition, the Group applied simplified approach to measure lifetime ECLs on the Group's trade receivables of sales of household products of HK\$3,597,000 (2024: Nil) using probability default approach.

The following table provides information about the Group's exposure to credit risk and ECLs on trade receivables as at reporting date.

| | Not yet past due | Past due within 1 year | Past due over 1 year | Total |
|----------------------------------|---------------------|---------------------------|-------------------------|--------|
| At 31 December 2025 | | | | |
| ECL rate | 2% | 10% | 20% | |
| Gross carrying amount (HK\$'000) | 8,108 | 5,094 | 1,794 | 14,996 |
| ECLs (HK\$'000) | 185 | 498 | 352 | 1,035 |
| At 31 December 2024 | | | | |
| ECL rate | 1% | 7% | 100% | |
| Gross carrying amount (HK\$'000) | 3,280 | 3,904 | – | 7,184 |
| ECLs (HK\$'000) | 17 | 273 | – | 290 |

21. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

| HK\$'000 | 2025 | 2024 |
|---------------------------------------|-------|-------|
| Prepayments (note (a)) | 124 | 2,692 |
| Deposits and other receivables | 5,295 | 6,651 |
| | 5,419 | 9,343 |
| Less: Impairment allowance (note (b)) | – | – |
| | 5,419 | 9,343 |
| Analysed into: | | |
| Current portion | 5,419 | 6,843 |
| Non-current portion | – | 2,500 |
| | 5,419 | 9,343 |

Notes: (a) Included in prepayments as at 31 December 2024 was an amount of HK\$2,500,000 prepaid by the Group for setting up a company with another investor by mid of year 2025. Following the mutual agreement on the termination of the investment proposal in 2025, the prepayment has been applied toward settlement of trading balance.

(b) At 31 December 2025, no impairment allowances (2024: nil) were provided against other receivable. Please also refer to note 34(c) for movement of impairment allowance during the year.

22. BANK BALANCES AND CASH

| HK\$'000 | 2025 | 2024 |
|--------------|-------|-------|
| Cash on hand | – | 1 |
| Cash at bank | 5,145 | 7,019 |
| | 5,145 | 7,020 |

23. TRADE PAYABLES

| HK\$'000 | 2025 | 2024 |
|----------------|-------|-------|
| Trade payables | 2,265 | 1,982 |

The ageing analysis of trade payables at the end of each reporting period, based on invoice dates, is as follows:

| HK\$'000 | 2025 | 2024 |
|--|-------|-------|
| Within 1 month | 2,265 | 136 |
| More than 1 month but within 2 months | – | 57 |
| More than 2 months but within 3 months | – | 100 |
| More than 3 months but within 6 months | – | 328 |
| More than 6 months but within 1 year | – | 1,361 |
| At 31 December | 2,265 | 1,982 |

24. OTHER PAYABLES AND ACCRUALS

| HK\$'000 | 2025 | 2024 |
|--------------------------------|-------|-------|
| Accrual wage and staff benefit | 133 | 333 |
| Other accruals | 759 | 1,162 |
| | 892 | 1,495 |
| Receipt in advance | 169 | 517 |
| Other payables | – | 42 |
| | 1,061 | 2,054 |

25. **SHARE CAPITAL**

| | 2025 | | 2024 | |
|---|---------------|--------------------|---------------|--------------------|
| | Number | Amount HK\$'000 | Number | Amount HK\$'000 |
| Authorised ordinary shares of HK\$0.08 each At 1 January and 31 December | 2,500,000,000 | 200,000 | 2,500,000,000 | 200,000 |
| Issued and fully paid At 1 January and 31 December | 113,868,640 | 9,109 | 113,868,640 | 9,109 |

26. **SHARE SCHEME**

The Company has adopted two share schemes, namely the share option scheme and the share award scheme, which are in compliance with the requirements of the GEM Listing Rules. The total number of shares which may be allotted and issued upon exercise of all share options and grant of share awards under the share option scheme and the share award scheme must not in aggregate exceed 10% of the total number of Shares in issue as at the adoption date on 30 June 2023, i.e. 2,846,716 shares based on the 28,467,160 shares in issue as at 30 June 2023. The principal terms of the share option scheme and the share award scheme were set out in the circular of the Company dated 7 June 2023. The Company has not granted any share options or share award to any person during the reporting period and there was no share option nor share award outstanding as at 31 December 2025 (2024: Nil).

27. **RESERVES**

Share premium

Share premium represents premium arising from the issue of new shares of the Company including (i) the rights shares in 2023 and the subscription share in 2022 at a price in the excess of their par value; and (ii) the scheme shares in 2022 on the excess of market price on the date of allotment and their par value. The application of the share premium account is governed by Bye-Law 140(A) of the Company's Bye-Laws and the Companies Act 1981 of Bermuda.

Working capital loan

During the year ended 31 December 2021, the Group borrowed a loan provided by a facility provider to finance its daily operations (the "Working Capital Loan"). On 24 August 2022, the Company entered into a subscription agreement with the Subscriber in respect of the settlement of the working capital loan of HK\$4,662,000 by way of the allotment and issue of new shares to the Subscriber. On 22 December 2022, the Company allotted and issued in total 8,476,364 Subscription Shares and accounted for share capital of HK\$678,000 and share premium of HK\$3,984,000, respectively. The Company has repaid the remaining balance of HK\$200,000 in the financial year 2024.

Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net changes in the fair value of equity instruments designated as measured at FVTOCI in accordance with the accounting policy adopted for equity instruments designated at FVTOCI. The balance in this reserve is only attributable to the fair value change of the equity investment in note 18.

28. **HOLDING COMPANY STATEMENT OF FINANCIAL POSITION**

| HK\$'000 | 2025 | 2024 |
|---|--------------|--------------|
| ASSETS AND LIABILITIES | | |
| Non-current assets | | |
| Property, plant and equipment | 4 | 17 |
| Investments in subsidiaries | 10 | 17 |
| Equity investments at fair value through other comprehensive income | – | 379 |
| | 14 | 413 |
| Current assets | | |
| Prepayments, other receivables and other assets | 124 | 180 |
| Bank balances and cash | 395 | 320 |
| | 519 | 500 |
| Current liabilities | | |
| Other payables and accruals | 889 | 1,340 |
| Net current liabilities | (370) | (840) |
| Total assets less current liabilities | (356) | (427) |
| Net liabilities | (356) | (427) |
| CAPITAL AND RESERVES | | |
| Share capital | 9,109 | 9,109 |
| Reserves (Note) | (9,465) | (9,536) |
| Total deficit | (356) | (427) |

On behalf of the Directors

Chan Ho Yee
Director

Pang King Sze, Rufina
Director

Note:

| <i>HK\$'000</i> | Share premium | Working capital loan | Fair value reserve | Accumulated losses | Total |
|--|---------------|----------------------|--------------------|--------------------|----------------|
| At 1 January 2024 | 15,917 | 200 | (880) | (15,893) | (656) |
| Loss for the year | – | – | – | (8,982) | (8,982) |
| Repayment of working capital loan | – | (200) | – | – | (200) |
| Fair value gain of equity investment at FVTOCI, net of tax | – | – | 302 | – | 302 |
| At 31 December 2024 and 1 January 2025 | 15,917 | – | (578) | (24,875) | (9,536) |
| Profit for the year | – | – | – | 71 | 71 |
| Release of fair value reserve upon disposal of equity investment at FVTOCI, net of tax | – | – | 578 | (578) | – |
| At 31 December 2025 | 15,917 | – | – | (25,382) | (9,465) |

29. SUBSIDIARIES

Details of the principal subsidiaries held directly or indirectly by the Company as at 31 December 2025 are as follows:

| Name of subsidiary | Place of incorporation/ operations | Paid-up capital | Equity attributable to the Company | | Principal activities |
|--------------------------------|------------------------------------|-----------------|------------------------------------|------|--|
| | | | 2025 | 2024 | |
| Interests held directly | | | | | |
| Mega Adent Management Limited | Hong Kong | HK\$10,000 | 100% | 100% | Household Business, Plantation Business and Accessory Business |
| Frankford Inc. Limited | Hong Kong | HK\$100 | 100% | 100% | Household Business and Accessory Business |

30. RELATED PARTY TRANSACTIONS

The key management personnel are the Directors and the five highest paid individuals of the Company. The details of the emoluments paid to them are set out in notes 14 and 15 respectively.

Except as disclosed above, no transactions, arrangements or contracts of significance in relation to the Group's business to which the Company was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted during or at the end of the financial year.

31. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

There was no non-cash additions to right-of-use assets and lease liabilities during the year ended 31 December 2025. During the year ended 31 December 2024, there were non-cash additions to right-of-use assets and lease liabilities of HK\$114,000 and HK\$114,000, respectively, in respect of lease arrangements for warehouse.

(b) Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities.

| <i>HK\$'000</i> | Lease liabilities | Total |
|--|-------------------|-------------|
| At 1 January 2025 | 91 | 91 |
| Change from financing cash flows: | | |
| - Capital element of lease rentals paid | (58) | (58) |
| - Interest element of lease rentals paid | (3) | (3) |
| | (61) | (61) |
| Non-cash flows: | | |
| - Interest expenses (note 9) | 3 | 3 |
| At 31 December 2025 | 33 | 33 |

| <i>HK\$'000</i> | Advance from director | Other advances | Lease liabilities | Total |
|--|-----------------------|----------------|-------------------|--------------|
| At 1 January 2024 | 539 | 37 | 35 | 611 |
| Change from financing cash flows: | | | | |
| - Capital element of lease rentals paid | – | – | (58) | (58) |
| - Interest element of lease rentals paid | – | – | (3) | (3) |
| - Repayments to a third party | – | (37) | – | (37) |
| - Repayments to a director | (539) | – | – | (539) |
| | (539) | (37) | (61) | (637) |
| Non-cash flows: | | | | |
| - Commencement of new lease | – | – | 114 | 114 |
| - Interest expenses (note 9) | – | – | 3 | 3 |
| At 31 December 2024 | – | – | 91 | 91 |

32. LITIGATION

During the years ended 31 December 2025 and 2024, the Group did not have any pending litigation.

33. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, net of cash and cash equivalents and equity/deficit attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses, respectively.

The Directors review the capital structure on a continuous basis taking into account the loss of capital and the risk associated with the capital. The Group will balance its overall capital structure through issue of new shares and share buy-back as well as the issue of new debts or debts restructuring, if necessary.

| <i>HK\$'000</i> | 2025 | 2024 |
|---|---------------|---------------|
| Trade payables | 2,265 | 1,982 |
| Other payables and accruals | 1,061 | 2,054 |
| Lease liabilities | 33 | 91 |
| Current tax liabilities | 636 | 618 |
| Total debt | 3,995 | 4,745 |
| Equity attributable to owners of the Company | 23,409 | 21,719 |
| Gearing ratio | 17.1% | 21.8% |

The following table shows the carrying amount of financial assets and liabilities:

| <i>HK\$'000</i> | 2025 | | 2024 | |
|--------------------------------|-----------------|---------------|-----------------|---------------|
| | Carrying amount | Fair value | Carrying amount | Fair value |
| Financial assets | | | | |
| FVTOCI: | | | | |
| Equity investments at FVTOCI | – | – | 379 | 379 |
| Amortised cost: | | | | |
| Trade receivables | 13,961 | 13,961 | 6,894 | 6,894 |
| Deposits and other receivables | 5,419 | 5,419 | 6,651 | 6,651 |
| Bank balances and cash | 5,145 | 5,145 | 7,020 | 7,020 |
| | 24,525 | 24,525 | 20,944 | 20,944 |
| Financial liabilities | | | | |
| Amortised cost: | | | | |
| Trade payables | 2,265 | 2,265 | 1,982 | 1,982 |
| Other payables and accruals | 927 | 927 | 1,721 | 1,721 |
| Lease liabilities | 33 | 33 | 91 | 91 |
| | 3,225 | 3,225 | 3,794 | 3,794 |

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade receivables, deposits and other receivables, bank balances and cash, trade payables, other payables and accruals and lease liabilities. Due to their short term nature, their carrying value approximates their fair value.

(b) Financial instruments measured at fair value

The fair value measurement of the Group's financial assets at FVTOCI utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the "fair value hierarchy"):

- Level 1: Quoted prices in active markets for identical items (unadjusted);
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy.

| <i>HK\$'000</i> | Level 1 | Level 2 | Level 3 | Total |
|-----------------------------|---------|---------|---------|-------|
| At 31 December 2025 | | | | |
| Equity investment at FVTOCI | – | – | – | – |
| At 31 December 2024 | | | | |
| Equity investment at FVTOCI | – | – | 379 | 379 |

Information about level 3 fair value measurement

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments, as well as the relationship between key unobservable inputs and fair value are set out below.

Equity investment at FVTOCI

The fair value of the equity investment in a listed company which shares have been suspended for trading was estimated using market approach that adjusts the closing share price of the last trading date with various factors and assumptions set out below.

General assumptions that have been taken in relation to the suspension included the followings:

- there will be no significant deviation in the industry trend and market condition from the current market expectation; and
- the business of the listed company remained in existence as at 31 December 2024 and up to the time before disposal.

The Directors are of the view that the above events that are inherently outside the control of the Group has reasonably been taken into account in the fair value measurement, other significant unobservable inputs used in the fair value measurement are as follows:

| | | 2025 | 2024 |
|-------------------|--------|-------|-------|
| Distress discount | (Note) | 81.7% | 81.7% |

Note: Discount for unfavorable conditions that affect the sell intention of the seller, often at a lower price than the market value of the assets.

No sensitivity analysis has been performed for financial year ended 31 December 2025 as the equity investment was disposed during the year. The sensitivity analysis of the significant unobservable inputs for financial year ended 31 December 2024 was as follows:

| HK\$'000 | 2024 |
|-------------------------|-------|
| Increase/(decrease) by: | 5% |
| Distress discount | (102) |

(c) Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (level 3) Equity investment at FVTOCI

| HK\$'000 | 2025 | 2024 |
|--|-------|------|
| At 1 January | 379 | 77 |
| Fair value change recognised in other comprehensive income | - | 302 |
| Disposal | (379) | - |
| At 31 December | - | 379 |

34. FINANCIAL RISK MANAGEMENT

Details of the Group's major financial instruments are disclosed in respective notes. The risks associated with these financial instruments include interest rate risk, foreign currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Directors manage and monitor these risk exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's interest rate risk mainly arises from bank deposits.

The Group's bank balances expose it to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances. The Directors consider the Group's exposure to interest rate risk in respect of bank balances is not significant due to low level of deposit interest rate.

The Group currently does not have an interest rate hedging policy. However, the management closely monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease (2024: increase/decrease) the Group's profit (2024: profit) for the year and decrease/increase (2024: decrease/increase) the accumulated losses by HK\$2,000 (2024: HK\$3,000). The changes in interest rates do not affect the Group's other component of equity.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for bank deposits in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next reporting date.

(b) **Foreign currency risk**

The Group is only exposed to currency risk primarily through sales and purchases and also through cash and cash equivalent balances that are denominated in US\$ and RMB, the currency other than the functional currency of the entity to which they relate. The Group does not enter into derivatives to manage currency risk, although in certain isolated cases, the Group may take steps to mitigate such risks if it is sufficiently concentrated. The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

| <i>HK\$'000</i> | 2025 | | 2024 | |
|-----------------|--------|-------------|--------|-------------|
| | Assets | Liabilities | Assets | Liabilities |
| US\$ | 6,323 | (22) | 2,587 | (348) |
| RMB | 358 | (2,062) | 237 | (1,981) |

Sensitivity analysis

The following tables indicates the approximate change in the Group's profit (2024: profit) for the year in respond to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period. The sensitivity analysis includes balances in a currency other than US\$ and the functional currency of the respective group entities. A positive number indicates a decrease in profit (2024: an decrease in profit). The Group does not expect any significant movements in the US\$/HK\$ exchange rate which is pegged within a narrow trading range. Accordingly, no sensitivity analysis is presented.

| <i>HK\$'000</i> | 2025 | 2024 |
|------------------------------|------|------|
| RMB to HK\$ | | |
| Appreciates by 5% (2024: 4%) | 74 | 62 |
| Depreciates by 5% (2024: 4%) | (74) | (62) |

(c) **Credit risk**

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the executive director.

The credit risk of the Group on trade receivables is concentrated in 3 (2024: 4) largest customers at 31 December 2025 which accounted for 92% (2024: 97%) of the Group's gross trade receivables.

The Directors consider that the credit risk on liquid funds is low as counterparties are banks with good reputation.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts for financial assets and the exposure to credit risk for the financial assets.

| <i>HK\$'000</i> | <u>12-month ECL</u> | | <u>Lifetime ECLs</u> | | <u>Simplified approach</u> | <u>Total</u> |
|----------------------------|---------------------|---------|----------------------|--|----------------------------|---------------|
| | Stage 1 | Stage 2 | Stage 3 | | | |
| At 31 December 2025 | | | | | | |
| Trade receivables* | - | - | - | | 14,996 | 14,996 |
| Other receivables | | | | | | |
| - normal** | 25 | - | - | | - | 25 |
| - doubtful | - | - | - | | - | - |
| Bank balances and cash | | | | | | |
| - Not yet past due | 5,145 | - | - | | - | 5,145 |
| | 5,170 | - | - | | 14,996 | 20,166 |
| At 31 December 2024 | | | | | | |
| Trade receivables* | - | - | - | | 7,184 | 7,184 |
| Other receivables | | | | | | |
| - normal** | 519 | - | - | | - | 519 |
| - doubtful | - | - | - | | - | - |
| Bank balances and cash | | | | | | |
| - Not yet past due | 7,020 | - | - | | - | 7,020 |
| | 7,539 | - | - | | 7,184 | 14,724 |

* For trade receivables to which the Group applies the simplified approach for impairment, information is based on those disclosed in note 20.

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

The following table reconciles the impairment loss of trade receivables and other receivables.

| <i>HK\$'000</i> | Trade receivables | Other receivables | Total |
|--|-------------------|-------------------|--------------|
| 1 January 2024 | 155 | 808 | 963 |
| Written-off | – | (808) | (808) |
| Reversal of impairment | (155) | – | (155) |
| Impairment loss recognised | 290 | – | 290 |
| At 31 December 2024 and 1 January 2025 | 290 | – | 290 |
| Reversal of impairment loss | (290) | – | (290) |
| Impairment loss recognised | 1,035 | – | 1,035 |
| At 31 December 2025 | 1,035 | – | 1,035 |

The movements in the impairment allowance for trade receivables were as follows:

| <i>HK\$'000</i> | 12-month ECL Stage 1 | Lifetime ECLs Stage 2 Stage 3 | | Simplified approach | Total |
|--|-------------------------|---------------------------------------|----------|---------------------|--------------|
| At 1 January 2024 | – | – | – | 155 | 155 |
| Reversal of impairment loss | – | – | – | (155) | (155) |
| Impairment loss recognised | – | – | – | 290 | 290 |
| At 31 December 2024 and 1 January 2025 | – | – | – | 290 | 290 |
| Reversal of impairment loss | – | – | – | (290) | (290) |
| Impairment loss recognised | – | – | – | 1,035 | 1,035 |
| At 31 December 2025 | – | – | – | 1,035 | 1,035 |

Note: Included in the above allowances for ECL in respect of trade receivables is a provision for collectively impaired trade receivable of approximately HK\$148,000 (2024: HK\$290,000) with a carrying amount before provision of HK\$9,230,000 (2024: HK\$7,184,000) and ECL of HK\$887,000 (2024: Nil) of individually impaired trade receivable is provided with a carrying amount before provision of HK\$5,766,000 (2024: Nil).

The movements in the impairment allowance for other receivables were as follows:

| <i>HK\$'000</i> | 12-month ECL Stage 1 | Lifetime ECLs Stage 2 Stage 3 | | Simplified approach | Total |
|--|-------------------------|---------------------------------------|----------|---------------------|----------|
| At 1 January 2024 | – | – | 808 | – | 808 |
| Written off | – | – | (808) | – | (808) |
| At 31 December 2024 and 1 January 2025 | – | – | – | – | – |
| Written off | – | – | – | – | – |
| At 31 December 2025 | – | – | – | – | – |

No allowance for ECL of collectively impaired other receivable is provided (2024: Nil) with carrying amount before provision of HK\$25,000 (2024: HK\$519,000).

(d) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors who has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from current interest rate at the end of each reporting period.

| <i>HK\$'000</i> | Carrying amount | Total contractual undiscounted cash flows | Within one year or on demand | More than 1 year but less than 2 years | More than 2 years but less than 5 years | More than 5 years |
|-----------------------------|-----------------|---|------------------------------|--|---|-------------------|
| At 31 December 2025 | | | | | | |
| Trade payables | 2,265 | 2,265 | 2,265 | – | – | – |
| Other payables and accruals | 927 | 927 | 927 | – | – | – |
| Lease liabilities | 33 | 33 | 33 | – | – | – |
| | 3,225 | 3,225 | 3,225 | – | – | – |
| At 31 December 2024 | | | | | | |
| Trade payables | 1,982 | 1,982 | 1,982 | – | – | – |
| Other payables and accruals | 1,721 | 1,721 | 1,721 | – | – | – |
| Lease liabilities | 91 | 91 | 56 | 35 | – | – |
| | 3,794 | 3,794 | 3,759 | 35 | – | – |

35. EVENTS AFTER THE REPORTING DATE

Save as disclosed, the Group does not have any material events after the reporting period.

36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of Directors on 13 February 2026.

Five Years Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published consolidated financial statements and restated/reclassified as appropriate, is set out below.

| HK\$'000 | Year ended 31 December | | | | |
|---|------------------------|--------------------------|----------|----------|----------|
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| REVENUE | 35,506 | 29,155 | 26,911 | 22,312 | 27,087 |
| Cost of sales | (29,348) | (23,502) | (22,029) | (19,686) | (23,803) |
| Gross profit | 6,158 | 5,653 | 4,882 | 2,626 | 3,284 |
| Gain on derecognition of liabilities under the Scheme | – | – | – | 55,704 | – |
| Other income, gains and losses | 706 | 29 | 79 | 856 | (30) |
| Administrative expenses | (4,404) | (5,164) | (6,048) | (6,152) | (6,641) |
| Finance costs | (3) | (3) | (3) | (1,157) | (2,212) |
| Fair value loss on debt investment at fair value through profit or loss | – | – | (2) | (402) | (87) |
| Reversal/(provision) of impairment loss on other receivables | – | – | 29 | (691) | (115) |
| Written-off of other receivables | – | (30) | – | – | – |
| Impairment loss on trade receivables | (745) | (135) | (155) | (1,072) | (740) |
| PROFIT/(LOSS) BEFORE INCOME TAX | 1,712 | 350 | (1,218) | 49,712 | (6,541) |
| Income tax expenses | (22) | (161) | (425) | (422) | (746) |
| PROFIT/(LOSS) FOR THE YEAR | | | | | |
| ATTRIBUTABLE TO OWNER OF THE COMPANY | 1,690 | 189 | (1,643) | 49,290 | (7,287) |
| | | | | | |
| | | As at 31 December | | | |
| | 2025 | 2024 | 2023 | 2022 | 2021 |
| TOTAL ASSETS | 27,404 | 26,464 | 27,046 | 22,193 | 22,304 |
| TOTAL LIABILITIES | (3,995) | (4,745) | (5,618) | (17,004) | (70,260) |
| TOTAL EQUITY/(DEFICIT) ATTRIBUTABLE TO | | | | | |
| ORDINARY EQUITY HOLDERS OF THE COMPANY | 23,409 | 21,719 | 21,428 | 5,189 | (47,956) |