



AV Promotions Holdings Limited  
AV 策劃推廣(控股)有限公司

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

*Stock Code: 8419*

Annual Report 2025

2025



## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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 of the Stock Exchange 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 take no responsibility for the contents of this annual 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 contents of this annual report.*

*This annual report, for which the directors (the “**Directors**”) of AV Promotions Holdings Limited (the “**Company**”) collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “**Group**”, “**we**”, “**our**” or “**us**”). The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this annual report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this annual report misleading.*

## CONTENTS

Corporate Information	3
Chairman’s Statement	5
Management Discussion and Analysis	6
Biographical Details of Directors and Senior Management	12
Corporate Governance Report	15
Environmental, Social and Governance Report	28
Report of the Directors	64
Independent Auditors’ Report	74
Consolidated Statement of Profit or Loss	79
Consolidated Statement of Comprehensive Income	80
Consolidated Statement of Financial Position	81
Consolidated Statement of Changes in Equity	83
Consolidated Statement of Cash Flows	84
Notes to the Consolidated Financial Statements	86
Financial Summary	146

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Wong Man Por  
*(Chairman and Chief Executive Officer)*  
Mr. Wong Chi Bor

#### Independent non-executive Directors

Dr. Leung Wai Cheung  
Mr. Chan Wing Kee  
Ms. Soon Yuk Tai

### AUDIT COMMITTEE

Dr. Leung Wai Cheung *(Chairman)*  
Mr. Chan Wing Kee  
Ms. Soon Yuk Tai

### REMUNERATION COMMITTEE

Mr. Chan Wing Kee *(Chairman)*  
Dr. Leung Wai Cheung  
Mr. Wong Chi Bor

### NOMINATION COMMITTEE

Mr. Wong Man Por *(Chairman)*  
Mr. Chan Wing Kee  
Ms. Soon Yuk Tai

### AUTHORISED REPRESENTATIVES

Mr. Wong Man Por  
Ms. Kwong Yuk Ying

### COMPLIANCE OFFICER

Mr. Wong Man Por

### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Units 1–15 & 25–27, 19/F  
Oceanic Industrial Centre  
2 Lee Lok Street  
Ap Lei Chau  
Hong Kong

### REGISTERED OFFICE IN CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Ocorian Trust (Cayman) Limited  
Windward 3, Regatta Office Park  
PO Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## CORPORATE INFORMATION (continued)

### LEGAL ADVISERS TO THE COMPANY

#### *As to Hong Kong law:*

Loeb & Loeb LLP  
2206-19 Jardine House  
1 Connaught Place  
Central  
Hong Kong

### AUDITORS

HLB Hodgson Impey Cheng Limited  
*Certified Public Accountants*  
31st floor, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

### COMPANY SECRETARY

Ms. Kwong Yuk Ying

### COMPANY WEBSITE

[www.avpromotions.com](http://www.avpromotions.com)

### STOCK CODE

8419

### PRINCIPAL BANKERS

Bank of Communications (Hong Kong) Limited  
20 Pedder Street  
Central  
Hong Kong

Nanyang Commercial Bank, Limited  
151 Des Voeux Road  
Central  
Hong Kong

United Overseas Bank Limited  
28/F, Champion Tower  
3 Garden Road  
Central  
Hong Kong

## CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board of Directors (the “**Board**”) of the Company, I am pleased to present the annual report of AV Promotions Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 December 2025 (the “**Reporting Period**”).

Following the listing of the shares of the Company (the “**Shares**”) on the Stock Exchange (the “**Listing**”) by way of placing and public offer (collectively, the “**Share Offer**”) on 21 December 2017, we have continued to maintain our leading position as a one-stop visual, lighting and audio solutions provider in Hong Kong, the People’s Republic of China (the “**PRC**”) and Macau. We have strong capabilities for providing customised visual display solutions and technical support, large quantity and wide range of visual display equipment, professional management and technical staff with extensive knowledge and expertise.

The Group recognised revenue of approximately HK\$107.9 million for the Reporting Period, representing a decrease of approximately HK\$18.0 million or 14.3% as compared with the year ended 31 December 2024. The number of events handled by the Group decreased during the Reporting Period as compared with the year ended 31 December 2024. The gross profit of the Group for the Reporting Period amounted to approximately HK\$24.9 million, as compared with approximately HK\$30.2 million for year ended 31 December 2024. The Group recorded loss attributable to owners of the Company of approximately HK\$5.6 million for the Reporting Period as compared to profit attributable to owners of the Company of approximately HK\$1.8 million for the year ended 31 December 2024.

Looking forward, we will continue to remain cautious and maintain our prudent financial policy to improve the Group’s financial performance and to actively explore business opportunities. To increase competitive edge of the Group over its competitors and to control the Group’s overall costs to a reasonable level, the Group will unite its efforts to carefully evaluate each project, and to strive for increase in returns. The Board will also actively seek potential business opportunities in other segments of the live events industry, e.g. content distributors and production specialists, and to widen the geographical coverage of the Group so as to broaden the sources of income and enhance value to the shareholders of the Company (the “**Shareholders**”).

The Board would like to extend its sincere thanks to our Shareholders, business partners and customers for their utmost support to the Group particularly during difficult times. The Board would also like to take this opportunity to thank all management members and staff for their hard work and dedication throughout the year.

**Wong Man Por**

*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 31 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is principally engaged in the provision of one-stop visual, lighting and audio solution services in Hong Kong, the People's Republic of China (the "PRC") and Macau. The Group derived its revenue from provision of the aforesaid services to exhibitions, ceremonies, conferences, TV shows, product launches, concerts, competitions and other types of events.

During the Reporting Period, the Group was engaged in approximately 553 events compared with 778 events for the corresponding period in 2024. The Group derived approximately 37.9% of its total revenue (2024: 48.4%) from exhibitions during the Reporting Period, the majority of which took place in Hong Kong and the PRC.

The Group recognised revenue of approximately HK\$107.9 million for the Reporting Period, representing a decrease of approximately HK\$18.0 million or 14.3% as compared with the year ended 31 December 2024. The number of events handled by the Group decreased during the Reporting Period as compared with the year ended 31 December 2024. The gross profit of the Group for the Reporting Period amounted to approximately HK\$24.9 million, representing a decrease of approximately 17.5% as compared with approximately HK\$30.2 million for the year ended 31 December 2024. The Group recorded loss attributable to owners of the Company of approximately HK\$5.6 million for the Reporting Period as compared to profit attributable to owners of the Company of approximately HK\$1.8 million for the year ended 31 December 2024.

The Group is confident in further improving its profitability and bringing value to its stakeholders in the long run. The Board will proactively seek potential business opportunities so as to broaden the sources of income of the Group and to enhance value to the shareholders of the Company (the "Shareholders").

## Principal Risks and Uncertainties

The Group's financial condition, results of operations, and business prospects could be affected by a number of risks and uncertainties including market risk, credit risk and liquidity risk. The risk management policies and practices of the Group are shown in note 3 to the consolidated financial statements in this annual report.

## FINANCIAL REVIEW

### Revenue

During the Reporting Period, the Group generated revenue from the provision of visual, lighting and audio solutions services to its customers in various events, including exhibitions, ceremonies, conferences, concerts, competitions, TV shows, product launches and other types of events.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The following table sets forth the breakdown of the number of events and the Group's revenue by types of events for the Reporting Period with comparative figures for the year ended 31 December 2024:

	Year ended 31 December					
	2025			2024		
	Number of events	HK\$'000	%	Number of events	HK\$'000	%
Exhibition	119	40,961	37.9	231	60,982	48.4
Ceremony	170	21,316	19.8	156	18,552	14.7
Conference	77	15,974	14.8	97	18,220	14.5
Competition	14	12,918	12.0	27	11,179	8.9
TV show	71	8,045	7.5	87	6,390	5.1
Concert	24	3,259	3.0	49	5,895	4.7
Product launch	3	2,200	2.0	4	834	0.7
Others <sup>(Note)</sup>	75	3,269	3.0	127	3,835	3.0
<b>Total revenue</b>	<b>553</b>	<b>107,942</b>	<b>100.0</b>	<b>778</b>	<b>125,887</b>	<b>100.0</b>

Note: Others mainly represented annual dinners, parties and other private events.

During the Reporting Period, the Group principally derived its revenue from exhibitions which accounted for approximately 37.9% of the Group's total revenue (2024: 48.4%). The Group's revenue decreased from approximately HK\$125.9 million for the year ended 31 December 2024 to approximately HK\$107.9 million for the Reporting Period, representing a decrease of approximately 14.3%. The decrease in revenue was mainly due to the decrease in number of events undertaken by the Group from 778 events for the year ended 31 December 2024 to approximately 553 events for the Reporting Period.

The decrease in revenue of the Group for the Reporting Period as compared to the year ended 31 December 2024 was mainly due to intense competition in the one-stop visual, lighting and audio solutions services industry during the Reporting Period.

### Revenue analysis by geographical location

The following table sets forth the breakdown of the Group's revenue by geographical location for the Reporting Period with comparative figures for the year ended 31 December 2024:

	Year ended 31 December			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Hong Kong	66,073	61.2	83,726	66.5
The PRC	41,799	38.7	42,161	33.5
Macau	70	0.1	-	-
<b>Total revenue</b>	<b>107,942</b>	<b>100.0</b>	<b>125,887</b>	<b>100.0</b>

During the years ended 31 December 2025 and 2024, the majority of the Group's revenue was generated from the PRC and Hong Kong.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Cost of services

The following table sets forth the breakdown of the Group's cost of services for the Reporting Period with comparative figures for the year ended 31 December 2024:

	Year ended 31 December			
	2025		2024	
	HK\$'000	%	HK\$'000	%
Employee benefit expenses	28,317	34.1	29,777	31.1
Short-term leases payments	24,969	30.0	30,098	31.5
Depreciation of property, plant and equipment	16,259	19.6	16,429	17.2
Material cost of consumables	4,333	5.2	4,645	4.9
Freight expenses	3,860	4.6	4,373	4.6
Travel expenses	1,886	2.3	2,511	2.6
Depreciation of right-of-use assets	1,432	1.7	3,507	3.7
Other expenses	2,036	2.5	4,300	4.4
<b>Total cost of services</b>	<b>83,092</b>	<b>100.0</b>	<b>95,640</b>	<b>100.0</b>

The decrease in cost of services was mainly driven by the decrease in short-term leases payments and depreciation of right-of-use assets.

#### *Employee benefit expenses*

Employee benefit expenses mainly represented salaries, wages, staff benefit (including mandatory provident funds, social insurance and housing provident funds, if applicable) paid to our front line on-site technical and maintenance staff and fees paid for the services provided by ad hoc manpower. For the Reporting Period, employee benefits expenses constituted approximately 34.1% (2024: 31.1%) of our total cost of services.

#### *Short-term lease payments*

Short-term lease payments mainly represented the cost from renting of equipment from independent third parties to cater for our extra equipment needs, taking into account factors including (i) the availability of our equipment with reference to the schedule of our projects; (ii) the location of our projects; and (iii) our requirement of specific equipment to carry out specific effects desired by our customers. For the Reporting Period, short-term lease payments constituted approximately 30.0% (2024: 31.5%) of our total cost of services.

#### *Depreciation of property, plant and equipment*

Depreciation charges under cost of services mainly represented depreciation on the Group's visual and display equipment for the provision of its services. For the Reporting Period, depreciation of our visual and display equipment constituted approximately 19.6% (2024: 17.2%) of our total cost of services.

#### *Material cost of consumables*

Material cost of consumables mainly represented the cost of consumables used for the on-site installation and maintenance and backdrop materials. For the Reporting Period, material costs of consumables constituted approximately 5.2% (2024: 4.9%) of our total cost of services.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Gross profit and gross profit margin

Gross profit of the Group for the Reporting Period amounted to approximately HK\$24.9 million (2024: HK\$30.2 million), representing gross profit margin of approximately 23.1% (2024: 24.0%). The decrease in gross profit was due to the decrease in revenue and number of events of the Group during the Reporting Period as disclosed above.

### Other income

Other income mainly represented government grants received during the Reporting Period, which amounted to approximately HK\$0.2 million (2024: HK\$0.4 million).

### Other losses/gains, net

Other net losses/gains of the Group mainly represented losses/gains on disposals of property, plant and equipment, gain on lease termination and net foreign exchange differences. The significant difference between the figures during the relevant periods for the years ended 31 December 2025 and 2024 was mainly due to gain on lease termination of approximately HK\$1.2 million during the year ended 31 December 2024 whereas no such gain was recorded during the Reporting Period.

### Selling expenses

Selling expenses mainly comprised staff cost of our Group's sales and marketing department, entertainment expenses and travel expenses of our sales department. The Group's selling expenses decreased by approximately 13.3% from approximately HK\$7.5 million for the year ended 31 December 2024 to approximately HK\$6.5 million for the Reporting Period. The decrease was in line with the decrease in revenue during the Reporting Period.

### Administrative expenses

Administrative expenses of the Group mainly comprised administrative staff costs, depreciation of office equipment and right-of-use assets, and other sundry expenses. The Group's administrative expenses decreased by approximately 4.2% from approximately HK\$18.9 million for the year ended 31 December 2024 to approximately HK\$18.1 million for the Reporting Period.

### Finance expenses, net

Net finance expenses of the Group mainly comprised interest on borrowings, interest expenses on finance leases liabilities and bank interest income. The Group's net finance expenses decreased by approximately 38.2% from approximately HK\$5.5 million for the year ended 31 December 2024 to approximately HK\$3.4 million for the Reporting Period which was mainly due to the decrease in interest on finance lease liabilities and bank borrowings.

### Income tax expense/credit

The Group is subject to income tax on an enterprise basis, based on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate. During the years ended 31 December 2025 and 2024, PRC Enterprise Income Tax has been provided at the rate of 25.0%. Pursuant to the enactment of two-tiered profit tax rates issued by the IRD of Hong Kong from the year of assessment 2018/19 onwards, the Group's first HK\$2 million of assessable profits under Hong Kong profits tax for the Reporting Period is subject to a tax rate of 8.25%. The subsidiary incorporated and operating in Macau is subject to Macau complementary tax under which the estimated assessable profits of up to MOP600,000 is exempted from taxation with amounts beyond this amount to be taxed at a fixed rate of 12% for the years ended 31 December 2025 and 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Loss/Profit for the year

As a result of the foregoing, the Group's loss attributable to owners of the Company amounted to approximately HK\$5.6 million for the Reporting Period, representing a decrease in profit of approximately HK\$7.4 million as compared with profit attributable to owners of the Company of approximately HK\$1.8 million for the year ended 31 December 2024.

### Liquidity and Financial Resources

The Group financed its operations primarily through cash generated from operating activities and interest-bearing borrowings. As at 31 December 2025, the Group had net current liabilities of approximately HK\$18.7 million (2024: HK\$13.7 million). Included in current liabilities were bank borrowings of approximately HK\$41.3 million (2024: HK\$46.1 million) which are due for repayment within one year or were repayable on demand.

As at 31 December 2025, the Group's current ratio was approximately 0.8 (2024: 0.9) and the Group's gearing ratio calculated based on the total debt (including borrowings and lease liabilities) at the end of the year divided by total equity at the end of the year was approximately 115.9% (2024: 112.9%). The increase of the Group's gearing ratio was mainly due to the decrease in total equity.

As at 31 December 2025, the amount of total available banking facilities (including unutilised and utilised amount) of the Group was approximately HK\$70.3 million (2024: HK\$76.1 million).

The bank borrowings were denominated in Hong Kong dollars and Renminbi, and secured by total pledged time deposit of approximately HK\$31.0 million (2024: HK\$36.0 million), the Company's corporate guarantee and personal guarantee provided by Mr. MP Wong. The bank borrowings carried floating rates at the Hong Kong Interbank Offered Rate and the China Foreign Exchange Trade System plus or less a margin per annum. The weighted effective interest rate on these bank borrowings was 5.1% per annum (2024: 6.5% per annum).

On 27 December 2018, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with a third party with a principal amount of HK\$38.0 million, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 27 December 2023. As at 23 December 2022, the subsidiary entered into a supplemental loan agreement with the third party to extend the maturity date from 27 December 2023 to 27 December 2028. As at 31 December 2025, the outstanding loan amount was HK\$15.0 million (2024: HK\$15.0 million).

On 25 December 2023, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with an executive director, Mr. Wong Man Por, with a principal amount of approximately HK\$2.7 million, which is unsecured, bears fixed interest rate of 5% per annum and is fully repayable on 31 December 2025. As at 23 December 2024, the subsidiary entered into a supplemental loan agreement with the director to extend the maturity date from 31 December 2025 to 31 December 2028. As at 31 December 2025, the outstanding loan amount was approximately HK\$2.7 million (2024: HK\$2.7 million).

### Capital Structure

Since the listing of the shares of the Company on the Stock Exchange, there has been no change in the capital structure of the Group. As at 31 December 2025, the capital structure of the Group consisted of (i) equity attributable to owners of the Company of approximately HK\$51.1 million (2024: HK\$58.4 million), comprising issued share capital and reserves; and (ii) debts which comprised borrowings as disclosed above.

### Pledge of Assets

As at 31 December 2025, an amount of approximately HK\$31.0 million (2024: HK\$36.0 million) of pledged time deposits was pledged to banks to secure certain bank facilities granted to the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### Significant Investments, Material Acquisitions and Disposals

The Group had not made any significant investments or material acquisitions and disposals of subsidiaries during the Reporting Period (2024: Nil).

### Contingent Liabilities

As at 31 December 2025, the Group has no material contingent liabilities (2024: Nil).

### Exposure to Fluctuations in Exchange Rates

The Group's revenue and costs are primarily denominated in Hong Kong dollars and Renminbi. The Group currently does not have a foreign currency hedging policy. However, the Directors continuously monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. During the Reporting Period, the Group did not use any financial instruments for hedging purposes.

### Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Reporting Period. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

### Employees and Remuneration Policies

As at 31 December 2025, the Group employed a total of 124 employees (2024: 135 employees) based in Hong Kong, Macau and the PRC. Employee costs (including the Directors' remuneration, wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans) amounted to approximately HK\$45.3 million for the Reporting Period (2024: HK\$48.5 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions and that employees' overall remuneration is determined based on the Group's and their performance.

### Share Option Scheme

The Company has adopted a share option scheme on 1 December 2017 (the "**Share Option Scheme**"). The summary of the principal terms of the Share Option Scheme is set out in paragraph headed "Share Option Scheme" under Report of the Directors in this annual report and are in accordance with the provisions of the Chapter 23 of the GEM Listing Rules. The main purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of the Group, and to promote the success of the business of the Group.

No share option has been granted, exercised, cancelled or lapsed under the Share Option Scheme since the adoption of the Share Option Scheme and there was no share option outstanding as at 31 December 2025.

### Dividend

The Board has resolved not to recommend a final dividend for the Reporting Period (2024: Nil).

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### EXECUTIVE DIRECTORS

**Mr. Wong Man Por (黃文波)**, aged 68, is the chairman of the Board, chief executive officer, the executive Director and the chairman of the Nomination Committee of the Company. He was first appointed as a Director on 23 February 2017 and was redesignated as an executive Director on 5 December 2017. With effect from 30 September 2021, Mr. MP Wong was re-designated as the chief executive officer following the resignation of the former chief executive officer. Mr. MP Wong is the founder of the Group and his main responsibilities are to formulate our strategic vision, direction and goals and to monitor, evaluate and develop the business of the Group.

Mr. MP Wong attended secondary school education in Hong Kong. He established AV Promotions Limited (“AVP”) with his spouse, Mrs. Wong, in 1991 and has been the director of AVP since then. Mr. MP Wong started his career in the visual, lighting and audio solutions industry as a frontline technician and has accumulated extensive knowledge in the field of audio-visual services industry. He has expertise in audio-visual consultation, design, integration and installation of audio-visual solution. In the past 30 years, he has led the Group from a small-scale start-up audio-visual solutions company in Hong Kong and to the presently reputable audio-visual solutions company that renders audio-visual and lighting advice and support in concerts, award ceremonies, exhibitions, conventions and various forms of corporate events in Hong Kong, the PRC and Macau.

Mr. MP Wong is the brother of Mr. CB Wong, who is also the executive Director of the Company, and is the father of Mr. HH Wong, who is the Deputy Marketing Director of the Group.

**Mr. Wong Chi Bor (黃志波)**, aged 58, is the executive Director and a member of the Remuneration Committee of the Company. He was first appointed as a Director on 23 February 2017 and was redesignated as an executive Director on 5 December 2017. Mr. CB Wong attended secondary school education in Hong Kong. He joined the Group as a technical director in 1991. Mr. CB Wong is responsible for the design and provision of the audio-visual services which are specifically tailored-made for our customers. He is also responsible for providing technical advice and supervision to the technical staff members of the Group. After he joined the Group, Mr. CB Wong has led the Group to provide services to major projects, including beauty competitions, concerts, award ceremonies and international congresses. He has over 25 years of experience in this industry.

Mr. CB Wong is the brother of Mr. MP Wong, who is also the executive Director of the Company, and is the uncle of Mr. HH Wong, who is the Deputy Marketing Director of the Group.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Leung Wai Cheung** (梁偉祥), aged 61, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Dr. Leung was appointed to the Board on 30 November 2021. Dr. Leung has more than 30 years of experience in financial reporting and financial management. He was the company secretary and financial controller from 2000 to 2011, and an executive director from 2000 to 2003 in FlexSystem Holdings Limited (currently known as Quantum Thinking Limited) (stock code: 8050), the issued shares of which are listed on the Stock Exchange. He was also the financial controller of Fortune Realty Company Limited from 1996 to 2000, the accounting manager of Wang On Group Limited (stock code: 1222), the issued shares of which are listed on the Stock Exchange, from 1993 to 1996 and the assistant accountant of Eton Management Limited from 1987 to 1992. He was also an executive director of Bamboos Health Care Holdings Limited (stock code: 2293), the issued shares of which are listed on the Stock Exchange, in 2021. He is currently the chief financial officer of HM International Holdings Limited (stock code: 8416), the issued shares of which are listed on the Stock Exchange, and an independent non-executive director of Mobicon Group Limited (stock code: 1213), the issued shares of which are listed on the Stock Exchange. He is an adjunct lecturer at the University of Hong Kong School of Professional and Continuing Education since 2003.

Dr. Leung obtained a Bachelor's degree of Commerce in accounting from the Curtin University of Technology in 1995 and subsequently obtained a Postgraduate Diploma in Corporate Administration in 1998, a Master degree in Professional Accounting from The Hong Kong Polytechnic University in 1999, a Doctor degree of Philosophy in Management from the Empresarial University in 2004, a Doctor degree of Educational Management from the Bulacan State University in 2008, a Doctor degree of Business Administration from European University in 2015, a Doctor degree of Philosophy in Forensic Accounting and Auditing from Charisma University in 2020, a Master of Law in International and Commercial Law from University of Greenwich in 2021 and a MSc Finance and Strategy from Manchester Metropolitan University in 2023.

Dr. Leung has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1993, CPA Australia since 1996, the Chartered Governance Institute in the United Kingdom since 1997, the Hong Kong Chartered Governance Institute since 1997, the Taxation Institute of Hong Kong since 1998 and the Chartered Professional Accountants of British Columbia, Canada since 2017. He has also been a fellow member of the Association of Chartered Certified Accountants since 1998 and the Institute of Chartered Accountants in England and Wales since 2017.

**Mr. Chan Wing Kee** (陳榮基), aged 67, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr. Chan was appointed to the Board on 1 December 2017. Mr. Chan has over 30 years of experience in the exhibition industry. From November 1991 to July 1996, he was the director of operations (Asia Pacific) of Reed Exhibitions Pte Ltd. From August 1996 to June 2005, he was the director of operations of Hong Kong Convention and Exhibition Centre. From November 2006 to November 2007, he was the executive director (Event Management) of Venetian Macau Resort Hotel. From January 2008 to January 2009, he was the Director of Venues (Asia) of Live Nation (HK) Limited. From June 2009 to June 2015, he was the general manager of Guangzhou Nanfung International Convention and Exhibition Centre. From November 2015 to December 2022, Mr. Chan was the general manager of Zhengzhou International Convention and Exhibition Centre.

Mr. Chan obtained an Executive Master Degree in Business Administration (EMBA) from the University of Western Ontario, Canada in October 2000.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

**Ms. Soon Yuk Tai (孫玉蒂)**, aged 59, is an independent non-executive Director and a member of the Audit Committee and Nomination Committee of the Company. Ms. Soon was appointed to the Board on 31 December 2024. Ms. Soon has more than 35 years of experience in corporate secretarial, corporate governance and regulatory compliance practices. She is currently a director of a private company in Hong Kong that provides corporate advisory and secretarial services for both listed and private companies.

Ms. Soon served as the company secretary of Bamboos Health Care Holdings Limited, the shares of which are listed on the Stock Exchange (stock code: 2293) since March 2022.

Ms. Soon is a Chartered Secretary, a Chartered Governance Professional and a fellow member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom. Ms. Soon obtained a Diploma (Honours) in Company Secretaryship and Administration from Lingnan University in 1988.

### SENIOR MANAGEMENT

**Ms. Yau Lai Ling (邱麗玲)**, aged 59, joined the Group as accounting clerk in July 1991 and became the general manager of the Group since 2001. She is responsible for overseeing the personnel and administrative matters. She is also responsible for the operation of our audio-visual equipment rental and coordinating with our clients on the provision of audio-visual solution services.

She obtained a Higher Diploma in Business Management from the Hong Kong Productivity Council in 1997.

**Ms. Kwong Yuk Ying (鄺玉瑩)**, aged 39, is the chief financial officer of the Group and the company secretary of the Company. She joined the Group in December 2020 and is responsible for overseeing the financial reporting and financial planning of the Group.

Ms. Kwong was admitted as a member of the Hong Kong Institute of Certified Public Accountants in March 2013. She graduated from the City University of Hong Kong with a degree of Bachelor of Business Administration (Honours) in Accountancy.

Ms. Kwong has over 15 years of experience in auditing, finance and accounting. Prior to joining the Group, she had worked at the assurance division of BDO Limited and PricewaterhouseCoopers, and was the financial controller of Bamboos Health Care Holdings Limited (stock code: 2293). Since January 2023, she has been an independent non-executive director of ETS Group Limited (stock code: 8031), the issued shares of which are listed on the Stock Exchange.

**Mr. Wong Hin Hang (黃顯珩) (“Mr. HH Wong”)**, aged 28, is the Deputy Marketing Director of the Group. He has over 5 years of experience in the industry. He joined the Group in 2022 and is responsible for assisting the chief executive officer for overseeing and monitoring the daily operation of our subsidiary in Shanghai. He is also responsible for the implementation of our marketing strategies and the development of our markets in the PRC. He also works on internal marketing strategy planning for future development of the Group.

Mr. HH Wong graduated from University of California, Riverside with a Bachelor of Arts degree in Sociology in 2022.

Mr. HH Wong is the son of Mr. MP Wong and nephew of Mr. CB Wong, who are the executive Directors of the Company.

### COMPANY SECRETARY

**Ms. Kwong Yuk Ying (鄺玉瑩) (“Ms. Kwong”)** is the company secretary of our Group since 16 February 2022, and is mainly responsible for the company secretarial and related matters of our group.

For details of Ms. Kwong’s background, please refer to the description about her as the Group’s chief financial officer in the paragraph headed “Senior Management” under this section above.

Some English names of Chinese laws and regulations, government authorities, departments, entities, institutions, natural persons, facilities, certificates, titles and the like for which no official English translation exists have been unofficially translated for identification purposes only. In the event of any inconsistency, the Chinese name will prevail.

# CORPORATE GOVERNANCE REPORT

## INTRODUCTION

Pursuant to Rule 18.44(2) of the GEM Listing Rules, the Board is pleased to present the corporate governance report of the Company for the Reporting Period (the “**Reporting Period**”).

Since the Listing, the Board has recognised that transparency and accountability are important to the Company as a listed issuer. Therefore, the Company is committed to establish and maintain good corporate governance practices and procedures.

The Board believes that good and effective corporate governance practices are key to obtaining and maintaining the trust of the Shareholders and other stakeholders, and are essential for encouraging accountability and transparency so as to sustain the success of the Group and to create long-term value for the Shareholders.

## CORPORATE GOVERNANCE PRACTICE

The Board is responsible for performing the corporate governance duties stipulated in the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules, which includes developing and reviewing the Company’s policies and practices on corporate governance, training and providing continuous professional development of Directors, and reviewing the Company’s compliance with the principles and applicable code provisions in the CG Code and disclosures in this annual report.

During the Reporting Period and up to the date of this annual report, the Company has complied with the code provisions of the CG Code, except for the deviations of paragraph C.2.1 of Part 2 of the CG Code, which is explained in the paragraph below.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Wong Man Por is currently the chairman and the chief executive officer of the Company. Mr. MP Wong was re-designated as the chief executive officer with effect from 30 September 2021 following the resignation of the former chief executive officer. The Board is of the view that the vesting of the roles of chairman and chief executive officer in Mr. MP Wong is beneficial to the business operations and management of the Group as it would provide a strong leadership to the Group, considering that Mr. MP Wong has been managing the Group’s business and formulation of the Group’s strategic vision, direction and goals, as well as monitoring, evaluating and developing the Group’s business since the Group’s establishment. In allowing the two roles to be vested in the same person, the Board believes that both positions require in-depth knowledge and considerable experience of the Group’s business and Mr. MP Wong is the most suitable person to occupy both positions for effective management of the Group following the resignation of the former chief executive officer. Therefore, the Board considers that the deviation from provision C.2.1 of Part 2 of the CG Code is appropriate in the circumstance.

## CORPORATE GOVERNANCE REPORT (continued)

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by Directors in respect of the shares of the Company (the “**Code of Conduct**”). After specific enquiries by the Company, all Directors have confirmed that they have fully complied with the required standard of dealings set out in the Code of Conduct during the Reporting Period and up to the date of this annual report.

### BOARD OF DIRECTORS

The key responsibilities of the Board include formulation of the Group’s overall strategies, the setting of management targets and supervision of management performance. The management is delegated with the authority and responsibility by the Board for the management and administration of the Group. In addition, the Board has also delegated various responsibilities to the Board committees of the Company. Further details of the Board committees are set out below in this corporate governance report.

The Board is entrusted with the overall responsibility to promote the success of the Company, and it is responsible for the direction and supervision of the Group’s business and affairs, and the ultimate responsibility for day to day management of the Group which is delegated to the management. To this end, financial and operational information are provided to the Board for assessing the performance of the Group. For significant matters that are specifically delegated by the Board, the management must report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. The management is responsible for the day-to-day management and operation of the Group and providing the Board with updates in a timely manner, giving an assessment of the Group’s performance and position to enable the Board to discharge its duties.

The Board is responsible for, among others, performing the corporate governance duties, which include:

- (a) to develop and review the Group’s policies and practices on corporate governance and make recommendations;
- (b) to review and monitor training and to provide continuous professional development of the Directors and senior management members;
- (c) to review and monitor the Group’s policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the Code of Conduct and its compliance manuals (if any) applicable to the Group’s Directors and employees; and
- (e) to review the Group’s compliance with the CG Code and its disclosure in the corporate governance report.

The Company has taken out director and officer liability insurance to cover liabilities arising from legal action against the Directors.

# CORPORATE GOVERNANCE REPORT (continued)

## BOARD COMPOSITION

During the Reporting Period and up to the date of this annual report, the Board comprised the following Directors and their respective roles are set out as follows:

### Executive Directors

Mr. Wong Man Por (“**Mr. MP Wong**”) (*Chairman and Chief Executive Officer*)

Mr. Wong Chi Bor (“**Mr. CB Wong**”)

### Independent non-executive Directors

Dr. Leung Wai Cheung

Mr. Chan Wing Kee

Ms. Soon Yuk Tai

On 31 December 2024, Ms. Soon Yuk Tai was appointed as an independent non-executive Director. The Company failed to comply with the disclosure requirements under Note 2 of Rule 5.02D of the GEM Listing Rules to disclose in its annual report for the year ended 31 December 2024 (i) the date on which each of the newly appointed director(s) obtained the legal advice referred to in Rule 5.02D of the GEM Listing Rules; and/or (ii) the confirmation that each of the newly appointed director(s) has confirmed he/she understood his/her obligations as a director a listed issuer. The Company hereby confirms that Ms. Soon obtained legal advice on 31 December 2024 in accordance with the requirements set out in Rule 5.02D of the GEM Listing Rules and she understood her obligations as a director of a listed issuer under the GEM Listing Rules.

With the various experience of the executive Directors and independent non-executive Directors (the “**INEDs**”) and having regard to the nature of the Group’s business, the Company recognises the benefits of having a Board with well-balanced experience and qualifications to maintain a sustainable business development of the Group in the long run. In recognition of the Company’s commitment to a well-balanced Board, the nomination committee is entrusted to review the Company’s human resources policy and recruitment process to ensure the effectiveness of such policy.

The details of Directors and relationship between the board members are set out in the section headed “Biographical Details of Directors and Senior Management” in this annual report.

### Number of Meetings and Directors’ Attendance

The Board has established three committees, namely, the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”) and the nomination committee (the “**Nomination Committee**”), with delegated powers for overseeing particular aspects of the Company’s affairs. Each of the committees of the Company has been established with written terms of reference. All Board committees are provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company’s expense.

## CORPORATE GOVERNANCE REPORT (continued)

The Board should conduct at least four regular meetings a year. The Directors can attend meetings in person or through electronic means of communication in accordance with the Company's articles of association (the "Articles"). Provision C.5.3 of Part 2 of the CG Code stipulates that at least 14 days' notice should be given for a regular Board meeting. For other Board and committee meetings, reasonable notices are required to be given. An agenda and accompanying board papers are sent to all Directors at least three days before each Board meeting to keep the Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. All the Directors are given an opportunity to include matters in the agenda for regular Board meetings.

During the Reporting Period, the Company held four Board meetings, four Audit Committee meetings, one Remuneration Committee meeting and two Nomination Committee meetings. All the minutes of the Board meetings and meetings of Board committee were recorded in sufficient details for the matters considered by the Board and the decisions reached. Details of the attendance of the Directors are as follows:

Name of Directors	Attendance/Number of meetings				
	Board Meeting	Audit Committee	Remuneration Committee	Nomination Committee	General meeting
<i>Executive Directors:</i>					
Mr. Wong Man Por	4/4	-	-	2/2	1/1
Mr. Wong Chi Bor	4/4	-	1/1	-	1/1
<i>Independent non-executive Directors:</i>					
Dr. Leung Wai Cheung	4/4	4/4	1/1	-	1/1
Mr. Chan Wing Kee	4/4	4/4	1/1	2/2	1/1
Ms. Soon Yuk Tai	4/4	4/4	-	2/2	1/1

### Appointment and Re-election of Directors

The Articles provide that at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation and that every Director shall be subject to retirement at an annual general meeting at least once every three years.

The Company has entered into a letter of appointment with each of the INEDs under which each INED is appointed for a fixed term and subject to re-election. The appointment letter of each of the INEDs is for a term of three years commencing from the date of the Listing, which may be terminated by not less than three months' notice in writing served by either party. The aforesaid appointment letters are subject to termination provisions therein and the retirement and re-election provisions in the Articles.

### Directors' Continuous Training and Professional Development

To assist the Directors' continuing professional development, the Company recommends Directors to participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. During the Reporting Period, all of the Directors have participated in continuous professional development by attending training courses or reading relevant materials on the topics related to corporate governance and regulations. Records of the training received by the respective Directors are kept and updated by the company secretary of the Company.

## CORPORATE GOVERNANCE REPORT (continued)

### **Independent non-executive Directors**

In compliance with Rules 5.05(1) and 5.05(2) of the GEM Listing Rules, the Board consisted of three INEDs throughout the Reporting Period, with at least one INED possessing appropriate professional qualifications or accounting or related financial management expertise. During the Reporting Period and up to the date of this annual report, the number of INEDs represents more than one-third of the Board as required under Rule 5.05A of the GEM Listing Rules. As such, there is a strong independence element in the Board to provide independent judgement.

The INEDs are experienced professionals with expertise in respective areas of accounting, finance, legal and industry knowledge. With their professional knowledge and experience, the INEDs serve an important function of advising the Board and senior management on strategy development, and ensure that the Board maintains high standards in financial and other mandatory reporting as well as providing adequate checks and balances for safeguarding the interests of the Shareholders and the Company as a whole.

The Company has received from each of the INEDs the written confirmation of his/her independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers all the INEDs to be independent pursuant to Rule 5.09 of the GEM Listing Rules.

### **BOARD COMMITTEE**

#### **Audit Committee**

The Company established the Audit Committee in compliance with Appendix C1 to the GEM Listing Rules. As at 31 December 2025 and the date of this annual report, it comprised three INEDs, namely Dr. Leung Wai Cheung, Mr. Chan Wing Kee and Ms. Soon Yuk Tai. Dr. Leung Wai Cheung is the chairman of the Audit Committee. The Company has also established the written terms of reference of the Audit Committee in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules and provisions D3.3 and D3.7 of Part 2 of the CG Code.

The primary duties of the Audit Committee are to assist the Board by providing an independent view of the effectiveness of the financial reporting process, risk management and internal control systems of the Group, to oversee the audit process, to develop and review the policies of the Group and to perform other duties and responsibilities as assigned by the Board. The full terms of reference setting out details of duties of the Audit Committee is available on both the GEM website of the Stock Exchange and the Company's website.

The Audit Committee was satisfied with its review of the auditors' remuneration, the independence of the Company's auditors, HLB Hodgson Impey Cheng Limited ("**HLB**"), and recommended the Board to re-appoint HLB as the Company's auditors in the financial year ending 31 December 2026, which is subject to the approval of Shareholders at the forthcoming annual general meeting. The audit fee payable to HLB for providing audit services to the Company for the year ending 31 December 2026 is estimated to be similar with current year for the annual financial statement audit which no significant change for the business operation. The audit fee is determined through negotiations between the Company and HLB on a fair and reasonable basis, taking into consideration, including but not limited to, the Company's business scale, industry, complexity and business plan of the Company, the expected audit scope, as well as the auditors' resources required. The Audit Committee has reviewed the Group's audited consolidated financial statements for the Reporting Period, the effectiveness of the risk management and internal control system of the Group.

## CORPORATE GOVERNANCE REPORT (continued)

According to the current terms of reference, meetings of the Audit Committee shall be held at least four times a year and the external auditor may request a meeting if they consider necessary.

Details of the number of Audit Committee meetings held and Directors' attendance are set out in the paragraph headed "Number of Meetings and Directors' Attendance" in this section.

### **Remuneration Committee**

The Company established the Remuneration Committee in compliance with Appendix C1 to the GEM Listing Rules. As at 31 December 2025, it comprised two INEDs, namely Mr. Chan Wing Kee and Dr. Leung Wai Cheung, and one executive Director, namely Mr. CB Wong. Mr. Chan Wing Kee is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but not limited to): (a) making recommendations to the Directors regarding the policy and structure for the remuneration of all the Directors and senior management of the Group and on the establishment of a formal and transparent procedure for developing remuneration policies; (b) making recommendations to the Board on the remuneration packages of the Directors and senior management of the Group; and (c) reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives. The full terms of reference setting out details of duties of the Remuneration Committee is available on both the GEM website and the Company's website.

The Remuneration Committee determines Directors' remuneration by reference to the benchmark of the market. The Remuneration Committee also looks into each individual Director's competence, duties, responsibilities, performance and the results of the Group in determining the exact level of remuneration for each Director.

Pursuant to the terms of reference of the Remuneration Committee, meeting shall be held at least once a year.

Details of the number of Remuneration Committee meetings held and Directors' attendance are set out in the paragraph headed "Number of Meetings and Directors' Attendance" in this section.

### ***Remuneration of executive Directors and Senior Management***

The following table sets forth the remuneration of executive Directors and senior management by band for the Reporting Period:

<b>HK\$</b>	<b>Number of Individuals</b>
Nil to HK\$1,000,000	4
HK\$1,000,001 to HK\$2,000,000	2

### ***Remuneration policy***

The remuneration policy of the Group for the Directors and senior management was based on their experience, level of responsibility and general market conditions. Any discretionary bonus and/or other merit payments are linked to the performance of the Group and the individual performance of each of the executive Directors and senior management.

## CORPORATE GOVERNANCE REPORT (continued)

### **Nomination Committee**

The Company established the Nomination Committee in compliance with Appendix C1 to the GEM Listing Rules which comprises one executive Director, namely Mr. MP Wong, and two INEDs, namely Mr. Chan Wing Kee and Ms. Soon Yuk Tai. Mr. MP Wong is the chairman of the Nomination Committee.

The primary duties of the Nomination Committee include (but not limited to): (a) reviewing the structure, size and composition of the Board at least annually; (b) identifying individuals suitably qualified to become Board members; (c) assessing the independence of independent non-executive Directors; and (d) making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors. The full terms of reference setting out details of the authority, duties and responsibilities of the Nomination Committee is available on both the GEM website and the Company's website.

Pursuant to the terms of reference of the Nomination Committee, meeting shall be held at least once a year.

The Nomination Committee has reviewed the structure, size and composition of the Board and the Board diversity policy as well as discussed matters regarding the retirement and re-election of Directors.

Details of the number of Nomination Committee meetings held and Directors' attendance are set out in the paragraph headed "Number of Meetings and Directors' Attendance" in this section.

### **Directors' and auditors' responsibilities for the consolidated financial statements**

All Directors understand and acknowledge their responsibility for preparing the Group's consolidated financial statements for each financial year that give a true and fair view of the state of affairs, the financial results and cash flows of the Group in accordance with the disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), the applicable financial reporting standards and the GEM Listing Rules. In preparing the consolidated financial statements for the Reporting Period, the Board has adopted appropriate and consistent accounting policies and made fair and reasonable judgments and estimates. The Directors are responsible for maintaining proper accounting records which reflect with reasonable accuracy the state of affairs, operating results, cash flows and equity movement of the Group at any time. The Directors confirm that the consolidated financial statements of the Group for the Reporting Period are prepared in accordance with statutory and regulatory requirements and applicable financial reporting standards.

The Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

During the year ended 31 December 2025, the Group reported a net loss of approximately HK\$5,571,000 and as at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately HK\$18,663,000. These conditions indicated the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern. For further details, please refer to note 2.1.1 to the consolidated financial statements in this annual report.

The statement by the auditors of the Group regarding their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report in this annual report.

## CORPORATE GOVERNANCE REPORT (continued)

### Auditors' remuneration

During the Reporting Period, the remuneration for the audit and non-audit services provided by HLB to the Group was as follows:

<b>Services rendered</b>	HK\$'000
Audit services	650
Non-audit services	–
<b>Total</b>	<b>650</b>

### DIVIDEND POLICY

The dividend policy of the Company is to distribute to the Shareholders the funds surplus to the operating needs, current and future business development of the Group as determined by the Board. The Company may declare and pay dividends to the Shareholders subject to the criteria as set out below.

In accordance with the Articles and subject to the relevant laws of the Cayman Islands, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Shareholders but no dividend shall be declared in excess of the amount recommended by the Board.

Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Board determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the relevant laws under the Cayman Islands.

Subject to compliance with applicable laws, rule, regulations and the Articles, in deciding whether to propose a dividend payout, the Board will take into account, among other things, the financial results, the earnings, losses and distributable reserves, the operations and liquidity requirements, the debt ratio and possible effect on the credit lines, the capital requirements, the current and future development plans of the Group, the interests of the Shareholders, dividends received from the Company's subsidiaries and associate companies, and other factors that the Board considers relevant.

The Board will review the dividend policy from time to time and reserve its sole and absolute right to update, amend, modify and/or cancel the dividend policy. There can be no assurance that dividends will be paid in any particular amount for any given period.

# CORPORATE GOVERNANCE REPORT (continued)

## NOMINATION POLICY

### 1. Objective

The Nomination Committee shall review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually, and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy.

The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Shareholder for election as Director at general meetings or appoint him/her to fill casual vacancies.

The Nomination Policy helps the Nomination Committee and the Board ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business.

### 2. Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

- (1) Reputation for integrity;
- (2) Commitment in respect of available time and relevant interest; and
- (3) Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and duration of service.

These factors are for reference only and are not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person as it considers appropriate.

### 3. Nomination Procedures

#### *3.1 Appointment of Directors*

- (1) The Nomination Committee identifies individual(s) suitably qualified to become Board members, having due regard to the Nomination Policy and the Board Diversity Policy of the Company, and assesses the independence of the proposed independent non-executive Director(s) as appropriate.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers the individual(s) recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.

## CORPORATE GOVERNANCE REPORT (continued)

- (4) The Board confirms the appointment of the individual(s) as Director(s) or recommends the individual(s) to stand for election at a general meeting. Individual(s) appointed by the Board to fill a casual vacancy will be subject to re-election by Shareholders at the first general meeting after his/her appointment, and individual(s) appointed by the Board as an addition to the Board will be subject to re-election by Shareholders at the next annual general meeting, in accordance with the Company's articles of association.
- (5) The Shareholders approve the election of individual(s), who stand(s) for election at general meeting, as Director(s).

### **3.2 Re-appointment of Directors**

- (1) The Nomination Committee considers each retiring Director, having due regard to the Nomination Policy and the Board Diversity Policy of the Company, and assesses the independence of each retiring independent non-executive Director.
- (2) The Nomination Committee makes recommendation(s) to the Board.
- (3) The Board considers each retiring Director recommended by the Nomination Committee, having due regard to the Nomination Policy and the Board Diversity Policy.
- (4) The Board recommends the retiring Directors to stand for re-election at the annual general meeting in accordance with the Company's articles of association.
- (5) The Shareholders approve the re-election of Directors at the annual general meeting.

**3.3** The Board shall have the ultimate responsibility for all matters relating to the selection and appointment of Directors.

## **4. Review of the Nomination Policy**

The Nomination Committee will review the Nomination Policy, as appropriate, to ensure the effectiveness of the Nomination Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

## CORPORATE GOVERNANCE REPORT (continued)

### BOARD DIVERSITY POLICY

The Company has adopted a Board Diversity Policy in accordance with the requirement as set out in the CG Code, which is summarised below.

The Board Diversity Policy of the Company specifies that in designing the composition of the Board, board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board members' appointment will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity of the Board. Selection of candidates for the Board will be based on a range of diversity perspectives, including but not limited to gender, age, culture, ethnicity and educational background, professional experience, knowledge and skills.

The Company discloses the composition of the Board in corporate governance report every year and the Nomination Committee oversees the implementation of the Board Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

### GENDER DIVERSITY

The Board currently has one female Director out of five Directors, and is committed to improving gender diversity as and when suitable candidates are identified. The Company is of the view that gender diversity in respect of the Board has been achieved.

Among all employees of the Group, male employees account for 75.8% and female employees account for 24.2%. The Group believes that the gender ratio of employees is within the reasonable range in the audio-visual industry.

### SHAREHOLDERS' RIGHTS

#### (a) Convening an extraordinary general meeting on requisition by shareholders

Pursuant to the Articles, extraordinary general meetings shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. Shareholders also have the right to propose a person for election as a Director, the procedures of which are available on the websites of the Company and the Stock Exchange.

#### (b) Procedures for putting forward proposals at shareholders' meetings

Shareholders are welcomed to put forward proposals relating to the operations and management of the Group to be discussed at shareholders' meetings. The proposals shall be sent to the company secretary of the Company by a written requisition. Shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in the paragraph headed "Convening an extraordinary general meeting on requisition by shareholders" above.

## CORPORATE GOVERNANCE REPORT (continued)

### (c) Enquiries to the Board

Shareholders may put forward enquiries to the Board, to the extent such information is publicly available, to the Company Secretary (who is responsible for forwarding communications relating to matters within the Board's preview to the executive Directors of the Company), communications relating to matters within a Board committee's area of responsibility to the chairman of the appropriate committee, and communications relating to ordinary business matters, such as suggestions, inquiries and consumer complaints, to the appropriate management of the Company, in writing to the principal place of business of the Company in Hong Kong.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is key to enhancing investor relations. The Company is committed to a policy of open and timely disclosure of corporate information to its shareholders and the public. The annual general meetings and other general meetings of the Company are the primary communication forum between the Company and its Shareholders. The Board, appropriate senior management and the external auditor will attend the general meetings to answer the Shareholders' questions. In addition, the Company updates its Shareholders on its latest business developments and financial performance through its annual and interim reports. The corporate website of the Company ([www.avpromotions.com](http://www.avpromotions.com)) has provided an effective communication platform to its Shareholders and the public.

Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, serves the Shareholders in respect of share registration, dividend payments and related matters.

### CONSTITUTIONAL DOCUMENTS

For the Reporting Period, there had been no significant change in the Group's constitutional documents.

### COMPANY SECRETARY

Ms. Kwong Yuk Ying, the company secretary of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed. All Directors have access to the advice and services of the company secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, the company secretary is responsible for facilitating communications among Directors as well as with senior management.

During the Reporting Period and up to the date of this annual report, Ms. Kwong has undertaken more than 15 hours of relevant professional training in compliance with Rule 5.15 of the GEM Listing Rules.

### COMPLIANCE OFFICER

Mr. Wong Man Por, an executive Director, is the compliance officer of the Company. Please refer to the section headed "Biographical Details of Directors and Senior Management" of this annual report for details of his biographical information.

## CORPORATE GOVERNANCE REPORT (continued)

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the Group's risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, but not absolute assurance against misstatement or loss.

The Board oversees the overall risk management and internal control system of the Group on an ongoing basis and endeavors to identify, control impact of the identified risks and facilitate implementation of coordinated mitigating measures. The risk management and internal control systems compatible with the Commissioner of Sponsoring Organization of the Treadway Commission (COSO) – Integrated Framework 2013 principles are designed to manage, rather than to eliminate, the risk of failures to achieve business objectives and provide only reasonable but not absolute assurance against material misstatement or loss.

The Group has established a risk management policy setting out the process of identification, evaluation and management of the principal risks affecting the business of the Group:

1. Each division has the responsibility of identifying, assessing, and managing risks specific to its own functions and operations. Quarterly assessments are conducted to identify and evaluate the primary risks, along with the development and implementation of mitigation plans to effectively manage the identified risks.
2. The management is responsible for supervising the risk management and internal control activities of the Group. Quarterly meetings are conducted within each division to ensure proper management of principal risks, and to identify and document any new or emerging risks.
3. The Board is responsible for reviewing and approving the effectiveness and adequacy of the Group's risk management and internal controls.

The risk management framework, coupled with our internal controls, ensures that the risk associated with our various business units are effectively managed in alignment with the Group's appetite.

The Company does not have an internal audit department but we have engaged an independent internal control consultant, Premier Advisory Services Limited, to undertake a review of the Group's internal control system during the Reporting Period. The review covers specific procedures and the implementation of the Group's risk management policies, along with providing recommendations to enhance and strengthen the internal control system. No significant concerns that could adversely affect the Group's financial, operational, compliance, controls, and risk management were identified. In addition, a follow-up review was carried out subsequent to the Company's implementation of the recommended remedial measures after.

The Group's risk management and internal control systems are designed to effectively manage the risks associated with meeting business objectives, rather than eliminating them entirely. It is important to note that these systems can provide reasonable, but not absolute, assurance against material misstatement or loss. The Board is ultimately responsible for maintaining the adequacy of resources, staff qualifications and experience, training programs, and budgets pertaining to the accounting and financial reporting functions. Further, the Board has determined that the Group's risk management and internal control system is in place and effective.

With respect to the monitoring and disclosure of inside information, the Group has adopted a policy on disclosure of inside information with an aim to ensure that the insiders abide by the confidentiality requirement and fulfill the disclosure obligations of in relation to inside information.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THIS REPORT

AV Promotions Holdings Limited (the “**Company**”), together with its subsidiaries (collectively referred to as the “**Group**”, “**we**” or “**us**”) (Stock Code: 8419), is pleased to present this Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) to provide an overview of the Group’s ESG strategies, policies, initiatives and performance for the financial year ended 31 December 2025 (the “**Reporting Period**”) to the shareholders of the Company (the “**Shareholders**”) and other stakeholders.

This Report has been prepared in accordance with the Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) as set out in Appendix C2 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

This Report outlines our approach to sustainable development, including our policies and practices in environmental protection, social responsibility and corporate governance. The Board of Directors (the “**Board**”) has overall responsibility for the Group’s ESG strategy and reporting. The Board oversees the management in the design, implementation and monitoring of ESG-related risk management and internal control systems, and regularly reviews the effectiveness of such systems to address ESG-related risks and opportunities. This Report has been prepared by the Group with the assistance of Premier Advisory Services Limited.

## REPORTING SCOPE AND BOUNDARY

This Report covers the environmental and social performance of the Group’s principal business operations in Hong Kong and the People’s Republic of China (the “**PRC**”) for the Reporting Period.

During the Reporting Period, the Group generated revenue primarily from the provision of one-stop visual, lighting and audio solution services for a wide range of events, including exhibitions, ceremonies, conferences, concerts, competitions, television programmes and product launches. Based on the Group’s revenue distribution, the majority of its revenue was derived from operations in Hong Kong and the PRC. The determination of the reporting boundary is based on the materiality of operations in terms of revenue contribution and operational significance.

## REPORTING BASIS AND PRINCIPLES

This Report has been prepared in accordance with the ESG Reporting Code and is guided by the four reporting principles of materiality, quantitative, balance and consistency as set out therein.

### “Materiality” Principle:

Material ESG issues have been identified through a materiality assessment, taking into account the significance of the Group’s environmental and social impacts as well as the concerns of key stakeholders. The identified material issues form the basis of the disclosures in this Report.

### “Quantitative” Principle:

Key Performance Indicators (“**KPIs**”) are presented in a quantitative manner where applicable. The standards, methodologies, assumptions or calculation tools used are disclosed in the relevant sections of this Report.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## “Balance” Principle:

This Report provides an unbiased overview of the Group’s ESG performance during the Reporting Period. Both positive achievements and areas for improvement are presented to give a fair representation of the Group’s overall performance.

## “Consistency” Principle:

The Group adopts consistent methodologies in preparing and presenting ESG data to allow for meaningful comparison over time. Where there are any changes in the scope, methodologies or calculation approaches, appropriate explanations will be provided in this Report.

## REVIEW AND APPROVAL

The Board has overall responsibility for the Group’s ESG strategy, reporting and performance. The Board has reviewed and approved this Report and confirms that, to the best of its knowledge, the information presented herein is accurate and complete in all material respects.

The Board oversees the ESG-related matters and is responsible for ensuring that appropriate and effective ESG risk management and internal control systems are in place. The management is delegated by the Board to collect relevant data and information, monitor ESG performance and implement ESG-related policies and measures.

During the Reporting Period, the Board has reviewed the ESG performance and the effectiveness of ESG-related systems. The Board considers them to be adequate and effective.

## FEEDBACK

This Report is available on the website of The Stock Exchange of Hong Kong Limited under the “Financial Statements/ Environmental, Social and Governance Information” section, as well as on the Group’s website.

The Group values the opinions of its stakeholders and welcomes feedback on this Report and its sustainability initiatives. Stakeholders are encouraged to share their views and suggestions with the Group via email at [ir@avpromotions.com.hk](mailto:ir@avpromotions.com.hk). The feedback received will assist the Group in continuously improving its ESG disclosures and enhancing its overall sustainability performance.

## BOARD STATEMENT

The Board recognises the importance of integrating ESG considerations into the Group’s business strategy and operations. As a provider of visual, lighting and audio solution services for various events, the Group’s operations are project-based and often involve on-site execution, which gives rise to specific ESG considerations, including energy consumption, efficient use of equipment and occupational health and safety.

In light of the nature of the Group’s business, the Board is committed to promoting responsible operational practices, with a focus on enhancing energy efficiency, optimising resource utilisation and maintaining high safety standards across event projects. The Board also recognises the importance of delivering reliable and high-quality services to customers while minimising environmental impacts arising from its operations.

Looking ahead, the Group will continue to integrate ESG considerations into its business development and operational planning. The Group will also seek to enhance its sustainability performance in alignment with regulatory expectations and evolving stakeholder interests.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## AWARD AND RECOGNITIONS

The Group is committed to maintaining robust management systems and upholding high standards of operational quality, environmental responsibility and business integrity. During the Reporting Period, the Group maintained the following certifications and corporate credentials in support of its operations:



The Group maintained Quality Management System (ISO9001:2015) and Environmental Management System (ISO14001:2015) certifications, which support the delivery of consistent service quality and provide a structured framework for managing environmental impacts arising from its visual, lighting and audio solution services. The Group has also obtained industry-specific qualifications, including the Class I Qualification for Comprehensive Performance Production Services granted by the China Association of Performing Arts Equipment Technology and the Grade A Qualification for Professional Stage Design and Production Engineering granted by the China Institute of Stage Design, which demonstrate its technical capabilities and professional standards in event production and stage engineering.

In addition, the Group obtained corporate credentials including D-U-N-S Registered Company status and AAA Credit Enterprise Certificate, which enhance the Group's corporate transparency, credibility and creditworthiness in its business operations.

These certifications and credentials collectively support the Group's commitment to quality assurance, environmental management and sound corporate governance practices.

## STAKEHOLDER ENGAGEMENT

The Group recognises that effective stakeholder engagement is essential to its long-term sustainability and business success. Given the Group's project-based and event-driven operations in the provision of visual, lighting and audio solution services, maintaining close and ongoing communication with stakeholders is critical to ensuring service quality, operational safety and business reliability.

The Group engages with a wide range of stakeholders, including shareholders, employees, customers, suppliers and subcontractors, government and the general public. Through continuous engagement, the Group seeks to understand stakeholders' expectations, respond to their concerns and identify ESG-related risks and opportunities relevant to its operations in Hong Kong and the PRC.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the Reporting Period, the Group maintained regular communication with its key stakeholders through various channels. Feedback collected from stakeholders has been taken into consideration in the Group's business strategies and ESG management approach, including areas such as service quality, occupational health and safety, environmental performance and supply chain management.

Based on the nature and scale of its operations, the Group has identified the following key stakeholder groups, along with the respective engagement channels and topics of concern:

Stakeholder Group	Engagement Channels	Expectations
<b>Government</b>	<ul style="list-style-type: none"> <li>Regular meetings</li> <li>Official correspondence</li> <li>Participation in regulatory seminars and workshops</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with laws and regulations</li> <li>Contribution to local economic development</li> <li>Environmental protection measures implementation</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Annual and interim reports</li> <li>Annual general meetings</li> <li>Corporate website</li> <li>Direct communication</li> </ul>	<ul style="list-style-type: none"> <li>Getting returns on investment</li> <li>Long-term sustainable growth</li> <li>Transparency of financial and ESG performance</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Staff meetings</li> <li>Internal communication platforms</li> <li>Performance appraisals</li> <li>Employee satisfaction surveys</li> </ul>	<ul style="list-style-type: none"> <li>Fair compensation and benefits</li> <li>Career development opportunities</li> <li>Safety and healthy working environment</li> <li>Protecting the legal rights and interests of employees</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Feedback forms</li> <li>Online reviews and social media interactions</li> </ul>	<ul style="list-style-type: none"> <li>High-quality event execution and technical support</li> <li>Reliable service delivery</li> <li>Environmentally friendly production processes</li> <li>Information security</li> </ul>
<b>Suppliers/subcontractors</b>	<ul style="list-style-type: none"> <li>Regular business meetings</li> <li>Performance assessment</li> <li>Phone calls</li> </ul>	<ul style="list-style-type: none"> <li>Stable business cooperation</li> <li>Timely payment</li> <li>Fair business terms</li> <li>Joint efforts in sustainable development</li> </ul>
<b>General public</b>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Public announcement</li> <li>Community events</li> <li>Online interaction platforms</li> </ul>	<ul style="list-style-type: none"> <li>Positive social impact</li> <li>Corporate citizenship</li> <li>Community contribution</li> <li>Fair employment opportunities</li> </ul>

The Group continues to enhance its stakeholder engagement mechanisms and strengthen communication effectiveness and transparency. The Group incorporates stakeholder feedback into its ESG strategy and operations, with a view to fostering sustainable development and creating long-term value for its stakeholders.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## MATERIALITY ASSESSMENT

Identifying and prioritising material ESG issues is fundamental to the Group's effective ESG management and disclosure. During the Reporting Period, the Group conducted a materiality assessment to evaluate ESG issues that are most relevant to its business operations and stakeholders.

The assessment process involved both internal and external stakeholders and was carried out through a structured approach comprising identification, prioritisation and validation.

### Step 1: Identification

The Group identified a list of ESG issues with reference to the ESG Reporting Code and relevant international frameworks, including the standards issued by the International Sustainability Standards Board.

Taking into account the business nature, ESG issues relating to environmental impacts, occupational health and safety, service quality and supply chain management were considered. ESG issues relevant to the Group's operations were identified, as set out below:

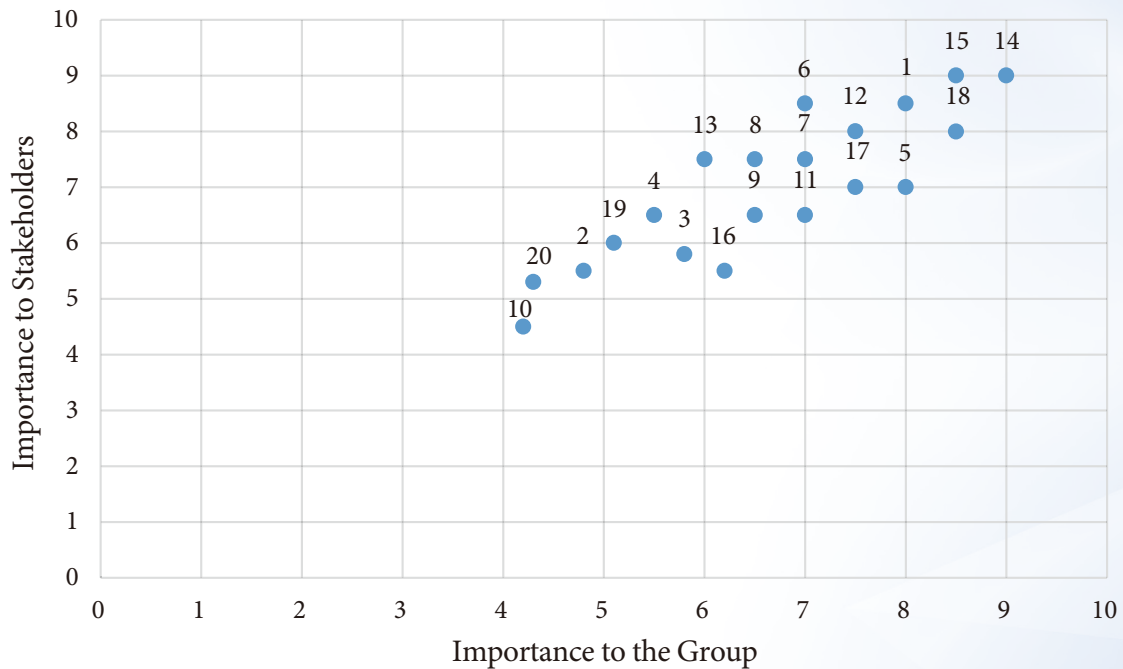
Environment	<ol style="list-style-type: none"> <li>1. Climate Change</li> <li>2. Carbon Emissions</li> <li>3. Resource Utilisation Efficiency</li> <li>4. Pollution and Waste Management</li> <li>5. Energy Efficiency and Equipment Management</li> </ol>
Employment	<ol style="list-style-type: none"> <li>6. Employee Rights and Interest Protection</li> <li>7. Employee Development and Training</li> <li>8. Occupational Safety and Health</li> <li>9. Employee Engagement and Well-being</li> <li>10. Child and Forced Labour</li> </ol>
Corporate Governance	<ol style="list-style-type: none"> <li>11. Anti-corruption and Anti-fraud</li> </ol>
Supply Chain Management	<ol style="list-style-type: none"> <li>12. Sustainable Procurement and Supplier Management</li> <li>13. Transparency and Information Disclosure of the Supply Chain</li> </ol>
Product Responsibility	<ol style="list-style-type: none"> <li>14. Data Security and Privacy</li> <li>15. Service Quality and On-site Execution Reliability</li> <li>16. Advertising and Promotion</li> <li>17. Compliance of products and services</li> <li>18. Customer Satisfaction and Feedback</li> <li>19. Intellectual Property Protection</li> </ol>
Community	<ol style="list-style-type: none"> <li>20. Community Investment and Contribution</li> </ol>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## Step 2: Prioritisation

The Group evaluated the identified ESG issues based on their significance to the Group's business operations and their importance to stakeholders. Stakeholder feedback was collected through various communication channels, including ongoing engagement with customers, employees, suppliers and shareholders.

### Materiality Assessment



In assessing materiality, the Group considered factors such as the potential impact of ESG issues on its operations, regulatory expectations, industry practices and stakeholder concerns. The prioritisation results form the basis for determining the scope and depth of disclosures in this Report.

## Step 3: Validation

The results of the materiality assessment were reviewed and validated by the Board. The Board assessed the relevance and completeness of the identified ESG issues, taking into account the Group's business strategy, operational characteristics and risk exposure.

The Board also reviewed the alignment between the material ESG issues and the disclosures presented in this Report. The Board confirmed that the selected issues are appropriate and adequately addressed.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## ENVIRONMENTAL

The Group seeks to minimise the environmental impacts arising from its operations and promote the responsible use of resources. During the Reporting Period, the Group continued to enhance its environmental management practices by improving energy efficiency, optimising resource utilisation and promoting waste reduction across its operations in Hong Kong and the PRC. The Group also complies with applicable environmental laws and regulations and incorporates environmentally responsible practices into its daily operations.

The following sections set out the Group's policies, measures and performance in relation to emissions, use of resources and environmental compliance.

### A1. EMISSIONS

The Group manages air emissions, greenhouse gas (“GHG”) emissions, waste generation and wastewater discharge arising from its operations. Given the Group's service-oriented and project-based business model, emissions are primarily generated from electricity consumption for lighting and audio equipment, fuel consumption from transportation and logistics activities, and waste generated during event setup and dismantling processes.

#### Compliance

During the Reporting Period, the Group complied with relevant environmental laws and regulations in Hong Kong and the PRC relating to air emissions, GHG emissions, waste disposal and wastewater discharge, including but not limited to:

Hong Kong	<ul style="list-style-type: none"> <li>• Air Pollution Control Ordinance (Chapter 311 of the Laws of Hong Kong)</li> <li>• Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong)</li> <li>• Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong)</li> </ul>
The PRC	<ul style="list-style-type: none"> <li>• Environmental Protection Law of the PRC</li> <li>• Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Waste</li> <li>• Law of the PRC on the Prevention and Control of Atmospheric Pollution</li> </ul>

The Group was not aware of any material non-compliance with applicable environmental laws and regulations during the Reporting Period.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Air Pollutant Emissions

Air emissions generated by the Group are primarily attributable to the consumption of fuel by vehicles used for transportation and logistics purposes. Our operations involve the delivery, installation and dismantling of visual, lighting and audio equipment at various event locations. Vehicles are required to support the movement of equipment and personnel.

The major air pollutants generated from vehicle fuel consumption include nitrogen oxides (“NO<sub>x</sub>”), sulphur oxides (“SO<sub>x</sub>”) and particulate matter (“PM”). The Group monitors fuel usage to manage its air emissions and seeks to optimise transportation planning and logistics arrangements in order to reduce unnecessary travel and improve operational efficiency.

Air Pollutant Emissions <sup>1</sup>	Unit	Hong Kong	2025 The PRC	Total	2024 Total
NO <sub>x</sub>	kg	38.50	1.60	40.10	41.92
SO <sub>x</sub>	kg	0.08	0.04	0.12	0.13
PM	kg	1.79	0.12	1.91	1.99
<b>Total</b>	kg	40.37	1.76	42.13	44.04

To reduce air pollutant emissions arising from vehicle fuel consumption, the Group has implemented different operational measures. These include optimising transportation routes and scheduling to minimise unnecessary travel, enhancing vehicle utilisation efficiency during equipment delivery and consolidating logistics arrangements where practicable.

The Group also encourages proper vehicle maintenance to ensure fuel efficiency and reduce emissions, and promotes environmentally responsible driving practices among drivers, such as avoiding excessive idling. Through these measures, the Group seeks to minimise air emissions associated with its operations.

The Group achieved its target of reducing air pollutant emissions by 5% by 2025, using 2022 (185.05 kg) as the baseline year. Following the achievement of this target, a new reduction target has been set to further decrease air pollutant emissions by 5% in next five years, with 2025 as the baseline year.

<sup>1</sup> The air emissions calculations are based on the emissions factors in “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange of Hong Kong Limited (the “SEHK”).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Hazardous and Non-hazardous Wastes

Waste generated by the Group is categorised into hazardous and non-hazardous waste. Given the nature of its operations, the Group generates a limited amount of hazardous waste, while the majority of waste is non-hazardous and arises from daily operations and event-related activities.

Hazardous waste primarily consists of used batteries from equipment such as wireless devices. The Group handles such waste in accordance with applicable laws and regulations, as well as engages qualified collectors for proper treatment and disposal where necessary. The Group also promotes proper storage and handling practices to minimise environmental risks associated with hazardous waste.

Non-hazardous waste generated by the Group mainly arises from daily operations and event-related activities, including paper waste, packaging materials and consumables. To minimise waste generation, the Group has implemented a range of waste reduction and management measures.

The Group promotes paperless practices by encouraging the use of electronic documentation and reducing unnecessary printing in offices. Where printing is required, double-sided printing is adopted to optimise paper usage. The Group also promotes the use of reusable items, such as cups and cutlery, to reduce reliance on disposable products.

In addition, waste segregation practices are implemented by placing designated recycling bins in office areas to facilitate the separation of recyclable and non-recyclable waste. The Group engages qualified recycling service providers for the collection and handling of recyclable materials.

For event operations, the Group seeks to minimise waste generation through efficient planning and the reuse of equipment and materials where practicable. The Group continues to explore opportunities to enhance its waste management practices and improve recycling performance.

During the Reporting Period, the specific details of both hazardous and non-hazardous wastes were as follows:

Waste	Unit	2025			2024
		Hong Kong	The PRC	Total	Total
Non-hazardous waste generated	kg	406	598	1,004	886
<b>Non-hazardous waste generated intensity</b>	kg/employee	7.95	8.31	8.16	6.56
Hazardous waste generated	kg	14	–	14	–
<b>Hazardous waste generated intensity</b>	kg/employee	0.27	–	0.11	–

The Group has established a target to reduce hazardous and non-hazardous waste generation intensity by 5% in next five years, using 2025 as the baseline year. The Group also monitor the total amount of waste generated, taking into account changes in operational scale. This approach allows the Group to better assess the effectiveness of its waste management practices relative to business growth.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## A2. USE OF RESOURCES

The Group manages its use of resources with a focus on improving operational efficiency and reducing environmental impacts associated with its business activities. The primary resource consumption arises from electricity used in offices and event projects, fuel consumption for transportation and logistics, as well as the use of materials and consumables during event setup and dismantling processes. Water consumption is limited to office use and is considered immaterial to the Group's overall resources usage.

### Energy Consumption

Energy consumption of the Group mainly comprises electricity used in offices and event projects, as well as fuel consumption for transportation and logistics activities. Electricity represents a major component of the Group's overall energy consumption. The Group has implemented a range of energy-saving measures across its operations to improve energy efficiency and manage energy consumption.

For electricity consumption, the Group promotes energy efficiency in both offices and event projects. Measures include the adoption of LED lighting in offices, the procurement of energy-efficient equipment, and the use of automated control systems to optimise power usage based on operational needs. For example, non-essential equipment is powered down during non-operating hours where practicable. In addition, the Group maintains air-conditioning systems at an energy-efficient temperature and conducts regular maintenance of heating, ventilation and air-conditioning systems. The Group also promotes employee awareness of energy conservation through internal initiatives.

For fuel consumption, the Group seeks to improve energy efficiency in transportation and logistics. Measures include optimising travel arrangements, encouraging the use of video conferencing to reduce travel demand, and implementing practices such as switching off vehicle engines during idling. The Group also conducts regular inspection and maintenance of vehicles to ensure optimal fuel efficiency, and has introduced electric vehicles to partially replace conventional fuel-powered vehicles.

During the Reporting Period, the specific details of energy consumption were as follows:

Type of Energy <sup>2</sup>	Unit	2025			2024
		Hong Kong	The PRC	Total	Total
Purchased electricity	MWh	75.65	39.70	116.35	136.50
Petrol	MWh	–	29.04	29.04	23.26
Diesel	MWh	54.00	–	54.00	62.27
<b>Total energy consumption</b>	MWh	129.65	68.74	199.39	222.03
<b>Energy consumption intensity</b>	MWh/employee	2.54	0.95	1.62	1.64

The Group has established a target to reduce its total energy consumption intensity by 5% in next five years, using 2025 as the baseline year. The Group continues to enhance energy efficiency across its operations, including optimising electricity usage in offices and event projects and improving fuel efficiency in transportation and logistics activities.

<sup>2</sup> The unit conversion calculation is based on the conversion factors in "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the SEHK.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Water Consumption

Water consumption of the Group is primarily limited to domestic use in offices, such as sanitation and pantry. The Group does not involve water-intensive activities, so water consumption is not a significant resource input to the Group. During the Reporting Period, the Group did not encounter any issues in sourcing water that is fit for purpose.

Notwithstanding its relatively low water consumption, the Group implements basic water conservation measures in its daily operations. These include conducting regular inspections of water facilities and promptly repairing leaks, promoting employee awareness of water conservation through internal communication and training, and adopting water-saving fixtures such as dual-flush toilets and flow-restricted faucets in office areas. The Group also seeks to minimise unnecessary water use through operational practices where practicable.

During the Reporting Period, the specific details of water consumption were as follows:

Water Consumption	Unit	2025			2024
		Hong Kong	The PRC	Total	Total
Water consumption	m <sup>3</sup>	72.00	455.20	527.20	400.58
<b>Water consumption intensity</b>	<b>m<sup>3</sup>/employee</b>	<b>1.41</b>	<b>6.32</b>	<b>4.29</b>	<b>2.97</b>

The Group has established a target to reduce water consumption intensity by 5% in five years, using 2025 as the baseline year. The Group continues to promote water conservation practices and improve water use efficiency in its offices to support the achievement of this target.

### Packaging Materials

Packaging materials used by the Group are primarily paper and plastic, which are mainly associated with the transportation and handling of equipment for event projects, as well as routine office activities. These materials include cartons, paper packaging, and plastic wrapping used to protect equipment during delivery, installation, and dismantling.

The Group seeks to minimise the use of packaging materials through efficient logistics planning and by reducing unnecessary packaging. Reusable solutions, such as equipment cases and protective covers, are adopted where practicable to reduce reliance on single-use materials.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the Reporting Period, the specific details of packaging materials consumption were as follows:

<b>Packaging Materials Consumption</b>	<b>Unit</b>	<b>Hong Kong</b>	<b>2025 The PRC</b>	<b>Total</b>	<b>2024 Total</b>
Paper	kg	2	20	22	20
Plastic	kg	5	80	85	100
<b>Total packaging materials consumption</b>	kg	7	100	107	120
<b>Intensity of packaging material consumption</b>	kg/employee	0.14	1.39	0.87	0.89

The Group has established a target to reduce packaging materials consumption intensity by 5% in next five years, using 2025 as the baseline year. The Group continues to promote the reduction, reuse and recycling of packaging materials, and enhances data collection and monitoring practices to support the achievement of this target.

### A3. THE ENVIRONMENTAL AND NATURAL RESOURCES

The Group's operations are primarily service-oriented and do not involve direct exploitation of natural resources. Nevertheless, its activities have indirect environmental impacts arising from energy consumption, waste generation and the use of materials in event operations.

The Group manages these environmental impacts through the implementation of relevant policies and measures as described in "A1. Emissions" and "A2. Use of Resources" sections. Key areas of focus include improving energy efficiency in offices and event projects, reducing waste generation through reuse and recycling practices, and optimising the use of materials such as paper, plastic and packaging resources.

In particular, given the project-based nature of the Group's business, the scale of resource consumption and environmental impacts may vary depending on the number and size of events undertaken. The Group therefore emphasises operational efficiency, proper planning and resource optimisation to minimise its environmental footprint.

The Group continues to monitor its environmental performance and explore opportunities to further reduce its impact on the environment and natural resources in line with its business development.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## A4. CLIMATE CHANGE

Climate change presents both risks and opportunities to our operations. Although our business is primarily service-oriented, our operations may be affected by evolving climate-related regulations, changes in market expectations, and physical impacts such as extreme weather conditions that could disrupt event schedules and logistics arrangements. The Group incorporates climate-related considerations into its risk management and operational planning processes, with a focus on enhancing operational resilience and flexibility.

This section is prepared in accordance with the ESG Code with reference to the principles of International Financial Reporting Standard S2 issued by the International Sustainability Standards Board. To enhance the transparency and consistency of climate-related disclosures, the Group presents its climate-related approach based on four key pillars, namely governance, strategy, risk management, and metrics and targets.

### **Governance**

The Board has overall responsibility for overseeing the Group's ESG matters, including climate-related risks and opportunities. An ESG Committee has been established to support the Board in discharging its responsibilities. The ESG Committee is responsible for assisting the Board in monitoring ESG-related matters, reviewing relevant policies and strategies, and overseeing the implementation of ESG initiatives across the Group's operations.

During the Reporting Period, the ESG Committee comprised Executive Directors and General Managers. The ESG Committee works closely with various operational departments to identify, assess and manage ESG-related risks and opportunities, including those arising from climate change.

The ESG Committee conducts regular reviews of ESG performance, including environmental targets and climate-related risks, and reports to the Board. The Board reviews and approves ESG-related strategies and disclosures, and ensures that climate-related considerations are integrated into the business strategy and decision-making processes.

The Group provides relevant training to the Board and senior management on ESG and climate-related topics to enhance oversight capabilities. External professional advice is also sought where appropriate to support decision-making on climate-related matters.

### **Strategy**

The Group considers climate-related risks and opportunities in its business operations, strategic planning and financial decision-making. Climate-related risks are assessed and managed in accordance with the framework set out in the "Risk Management" section.

The Group evaluates climate-related risks and opportunities across different time horizons, including short-term (2030), medium-term (2040), and long-term (2050), taking into account both the Group's business planning cycle and broader climate-related developments. This approach enables the Group to better understand the potential impacts of climate change on its operations, financial performance and long-term development.

Climate-related risks and opportunities may affect the Group's business model and value chain, particularly in areas such as project execution, equipment transportation, and supplier coordination. Physical risks may disrupt event delivery and logistics arrangements, while transition risks may influence procurement practices, operating costs and service expectations. The Group therefore incorporates climate-related considerations into its operational planning and supplier management to enhance overall resilience.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the Reporting Period, the Group identified key climate-related risks that may affect its operations, particularly in relation to business continuity, supply chain stability and cost structure. The potential financial impacts and corresponding mitigation measures are summarised below:

<b>Climate-related risks</b>	<b>Potential financial impacts</b>	<b>Steps taken to manage risks</b>
<b>Physical risks – Acute</b>		
Increased frequency and severity of extreme weather events (e.g. typhoons, heavy rainfall and flooding) may disrupt event schedules, damage equipment and affect logistics arrangements.	(i) Immediate repair and replacement costs.	(i) Enhancing contingency planning for event scheduling and logistics.
	(ii) Business interruption losses.	(ii) Strengthening coordination with clients and suppliers.
	(iii) Increased insurance premiums.	
	(iv) Supply chain disruptions.	(iii) Maintaining appropriate insurance coverage.
<b>Physical risks – Chronic physical risks</b>		
Rising temperatures and long-term climate changes may affect workforce productivity and operational efficiency.	(i) Business interruption losses.	(i) Maintaining suitable working conditions.
	(ii) Reduced labour productivity.	(ii) Improving energy efficiency through equipment upgrades.
	(iii) Increased healthcare and wellness expenses.	
	(iv) Long-term infrastructure investment.	

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Climate-related risks	Potential financial impacts	Steps taken to manage risks
<b>Transition risks – Policy and Legal risks</b>		
(i) Nations are ramping up their decarbonization strategies with urgency.	(i) Increased costs for procurement practices.	(i) Monitoring regulatory developments.
(ii) Increased uncertainty in climate policies.	(ii) Increased compliance and administrative costs.	(ii) Enhancing ESG data management and reporting processes.
(iii) There are mandates and regulations governing the provision of services in exhibitions, ceremonies, product launches, and other event formats.	(iii) Increased capital investment to meet regulatory and market expectations.	(iii) Integrating climate-related considerations into operational planning and cost management.
(iv) Increased demand for strict public disclosure requirements.	(iv) Increased operational and investment risks.	
(v) Introduction of carbon pricing in operating markets.		
<b>Transition risks – Technology risks</b>		
(i) Increasing adoption of energy-efficient and low-carbon equipment.	(i) Increased capital expenditure for upgrading or replacing existing equipment.	(i) Monitoring technological developments.
(ii) Growing market expectations for the use of environmentally friendly technologies in event execution.	(ii) Impact on competitiveness if the Group is unable to keep pace with technological advancements.	(ii) Gradually upgrading equipment based on operational needs and cost considerations.
		(iii) Enhancing equipment utilisation and promoting reuse to maximise asset efficiency.
		(iv) Evaluating suppliers and equipment based on energy efficiency and environmental performance.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Climate-related risks	Potential financial impacts	Steps taken to manage risks
<b>Transition risks – Market and Reputation risks</b>		
(i) Increasing client demand for environmentally responsible event solutions.	(i) Potential loss of business opportunities if the Group is unable to meet evolving client expectations.	(i) Enhancing resource efficiency in event operations.
(ii) Growing preference from investors and business partners for companies with stronger climate resilience and ESG performance.	(ii) Increased operating costs associated with enhancing sustainability practices and service offerings.	(ii) Strengthening ESG disclosures and communication with clients and stakeholders.
	(iii) Pressure on pricing and margins due to increased competition in sustainable event solutions.	(iii) Monitoring market trends and integrating sustainability considerations into service offerings.
<b>Transition risks – Supply chain risks</b>		
(i) Diversified operation and sourcing regions.	(i) Cost inflation impacting overall project margins.	(i) Maintaining a diversified supplier base to enhance supply chain resilience.
(ii) Limited resource availability and higher pricing.	(ii) Increased procurement costs due to sourcing from environmentally compliant suppliers.	(ii) Evaluating suppliers based on quality, reliability and environmental performance.
(iii) The Growing demand for green supply chains.		(iii) Strengthening procurement planning and coordination to manage cost fluctuations and supply risks.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

In addition to the climate-related risks outlined above, the transition towards a low-carbon economy also presents potential opportunities for the Group. As market expectations evolve and demand for sustainable practices increases, the Group recognises that enhancing environmental performance and operational efficiency may create value over the long term. The key climate-related opportunities identified by the Group are summarised in the table below:

<b>Climate-related opportunities</b>	<b>Potential financial impacts</b>	<b>Measures to capture opportunities</b>
<b>Resource efficiency</b>		
Improving energy efficiency and optimising resource utilisation in event operations and office activities	(i) Reduction in operating costs.	(i) Promoting efficient use and reuse of equipment across projects.
	(ii) Improved cost efficiency and margins.	(ii) Implementing energy-saving measures in offices and event projects.
<b>Energy transition</b>		
Adoption of energy-efficient equipment.	(i) Long-term reduction in energy costs.	(i) Gradually upgrading to energy-efficient equipment.
	(ii) Improved operational efficiency.	(ii) Monitoring technological developments in low-energy solutions.
<b>Sustainable event solutions</b>		
Increasing demand for environmentally responsible event services.	(i) Potential revenue growth.	(i) Enhancing service offerings with sustainability considerations.
	(ii) Enhanced client retention and competitiveness.	(ii) Communicating environmental practices to clients.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

<b>Climate-related opportunities</b>	<b>Potential financial impacts</b>	<b>Measures to capture opportunities</b>
<b>Supply chain optimisation</b>		
Strengthening collaboration with environmentally responsible suppliers.	(i) Improved supply chain stability.	(i) Evaluating suppliers based on environmental performance.
	(ii) Better cost control over the long-term.	(ii) Maintaining diversified supplier base.
<b>Operational resilience</b>		
Enhancing flexibility in project planning and logistics arrangements.	(i) Reduced business interruption losses.	(i) Strengthening contingency planning for event execution.
	(ii) Improved project delivery reliability.	(ii) Optimising logistics and scheduling arrangements.

The Group continues to monitor climate-related developments and regularly reviews the identified risks and opportunities across different time horizons. Climate-related considerations are progressively integrated into the Group's strategic planning, operational management and financial decision-making processes. Through ongoing enhancement of its practices, the Group aims to strengthen operational resilience, manage potential impacts and capture emerging opportunities arising from the transition towards a low-carbon economy.

### **Risk Management**

The Group integrates climate-related risks into its overall risk management and internal control framework to ensure a consistent and systematic approach to risk identification, assessment and management.

The Board has overall responsibility for overseeing the Group's risk management framework, including climate-related risks. The ESG Committee supports the Board in identifying, assessing and monitoring such risks, and ensures that appropriate measures are implemented across the Group's operations. The Group adopts a structured approach to manage climate-related risks, which involves the following key steps:

#### ***Step 1: Defining the scope and context***

The Group establishes the scope of assessment by considering its principal operations in Hong Kong and the PRC, covering key business activities such as event execution, equipment utilisation and logistics arrangements. Climate-related risks are evaluated across short-term, medium-term and long-term horizons, taking into account relevant regulatory developments and market conditions.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### ***Step 2: Risk identification***

Climate-related risks are identified through ongoing monitoring of internal operations and external factors, including changes in environmental regulations, market expectations and weather patterns. Both physical risks and transition risks are considered.

### ***Step 3: Risk assessment and prioritisation***

Identified risks are assessed based on their likelihood of occurrence and potential impact on the Group's operations, financial performance and reputation. The Group prioritises risks according to their significance, considering potential disruptions to event delivery, equipment management and supply chain stability.

### ***Step 4: Risk response and monitoring***

Appropriate mitigation measures are implemented to manage identified risks, including enhancing operational planning, improving resource efficiency, strengthening supplier management and ensuring compliance with applicable laws and regulations. The ESG Committee regularly reviews climate-related risks and the effectiveness of mitigation measures, and reports to the Board for oversight.

The Group continues to enhance its risk management processes in response to evolving climate-related developments, with a view to strengthening operational resilience and supporting sustainable business development.

### **Metrics and Targets**

The Group measures and monitors its GHG emissions as a key climate-related metric. GHG emissions are calculated with reference to the methodologies set out in the GHG Protocol, which is a widely recognised international standard developed by the World Resources Institute and the World Business Council for Sustainable Development for measuring and managing GHG emissions. Emissions are categorised into Scope 1 (direct emissions), Scope 2 (energy indirect emissions), and Scope 3 (other indirect emissions across the value chain).

Scope 1 emissions mainly arise from the consumption of fuels in mobile sources used in the Group's business operations. Scope 2 emissions primarily arise from purchased electricity used. Scope 2 emissions are measured using the location-based method, based on the emission factors of the regions in which the Group operates.

With respect to Scope 3 emissions, the Group currently discloses selected categories where relevant data is available and can be reliably measured, including business travel, fuel- and energy-related activities, and waste generated in operations. These emission sources are considered to be the most relevant to the Group's operations at the current stage.

Other Scope 3 categories have not been included in the current disclosure due to limitations in data availability, the complexity of data collection across the value chain, and the need to establish more robust internal data management processes. The Group continues to enhance its data collection and assessment methodologies and evaluate the feasibility of expanding the scope of Scope 3 disclosures in the future.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

During the Reporting Period, the specific details of GHG emissions were as follows:

GHG Emissions <sup>3</sup>	Unit (CO <sub>2</sub> e)	2025		Total	2024
		Hong Kong	The PRC		Total
Scope 1	tonnes	13.87	7.97	21.84	22.38
Scope 2	tonnes	45.99	22.94	68.93	87.49
Scope 3	tonnes	1.04	60.36	61.04	72.09
Category 3: Fuel- and energy-related activities	tonnes	0.03	0.22	0.25	0.29
Category 5: Waste generated in operations	tonnes	1.01	1.77	2.78	3.29
Category 6: Business travel	tonnes	–	58.37	58.37	68.51
<b>Total GHG emissions</b>	tonnes	60.90	91.27	152.17	181.96
<b>GHG emissions intensity</b>	tonnes/employee	1.19	1.27	1.24	1.35

The Group aims to reduce its GHG emissions intensity by 5% in next five years, using 2025 as the baseline year. Progress towards the target is monitored on an ongoing basis by the management and reviewed periodically by the ESG Committee, with oversight from the Board.

### SOCIAL

The Group considers its employees, business partners and the communities in which it operates to be important to its long-term development. High standards are maintained in employment practices, workplace safety, supply chain management and service quality, while seeking to contribute positively to society.

Given the service-oriented nature of its operations, particular emphasis is placed on workforce management, occupational health and safety, and service delivery standards in the execution of event projects. Efforts are also made to foster a fair and inclusive workplace, support employee development, and maintain stable and responsible relationships with suppliers and subcontractors.

Policies and procedures are established to ensure compliance with applicable laws and regulations in Hong Kong and the PRC. Practices are reviewed regularly, and appropriate measures are implemented to address social risks and enhance operational effectiveness.

<sup>3</sup> GHG emissions data are presented in terms of tonnes CO<sub>2</sub>e, with reference to, including but not limited to, the reporting requirements of “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the SEHK, “National Carbon Footprint Factors 2024” issued by Ministry of Ecology and Environment of the PRC, the latest sustainable report published by HK Electric Investments Limited, the latest annual report published by Water Supplies Department, the latest sustainability report published by Drainage Services Department, and internationally recognised emission factors published by the UK Government Department for Energy Security and Net Zero.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B1. EMPLOYMENT

The Group maintains employment practices that support fair and consistent workforce management across its operations.

### Compliance

The Group complies with applicable employment-related laws and regulations in Hong Kong and the PRC, including but not limited to:

- |           |  |
|-----------|--|
| Hong Kong | <ul style="list-style-type: none"> <li>• Employment Ordinance (Chapter 57 of the Laws of Hong Kong)</li> <li>• Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)</li> <li>• Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)</li> <li>• Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)</li> </ul> |
| The PRC   | <ul style="list-style-type: none"> <li>• Labour Law of the PRC</li> <li>• Labour Contract Law of the PRC</li> <li>• Social Insurance Law of the PRC</li> </ul>   |

During the Reporting Period, the Group was not aware of any material non-compliance with the relevant laws and regulations relating to employment.

### Employment Practices

Our employment policies cover key areas including recruitment, compensation and benefits, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and termination. These policies are set out in internal guidelines and employee handbooks to ensure consistent implementation across operations.

Structured recruitment procedures are adopted to attract candidates with relevant technical skills and experience. Employee performance is evaluated periodically, and remuneration is determined with reference to individual performance, qualifications and market conditions.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## **Equal Opportunity**

The Group applies equal opportunity principles across all employment practices and seeks to maintain a respectful and inclusive working environment. The Group does not tolerate discrimination or harassment in the workplace. Mechanisms are in place to handle employee complaints, and reported cases are reviewed and addressed in accordance with internal procedures.

## **Promotion and Appraisal**

The Group provides employees with opportunities for career progression, taking into account business needs, individual performance and capabilities. Internal candidates are considered for promotion where appropriate, subject to the availability of suitable positions and the individual's readiness to take on additional responsibilities.

Performance evaluations are conducted periodically, including annual appraisals, to assess employee contributions, work performance and competencies. These evaluations also serve to identify development needs and facilitate constructive feedback between employees and supervisors.

Remuneration and salary adjustments are determined with reference to individual performance, business performance, market conditions and industry benchmarks. Where appropriate, discretionary bonuses may be awarded based on performance and the Group's overall results.

## **Compensation and Welfare**

The Group provides compensation packages that are in line with market practices and applicable regulations. Remuneration includes basic salary and, where appropriate, discretionary bonuses based on individual performance and the Group's overall business performance.

Employee benefits include medical coverage and statutory benefits. Contributions are made to the Mandatory Provident Fund Schemes Ordinance in Hong Kong, and social insurance and housing provident fund schemes for employees in the PRC.

Employees are entitled to statutory holidays and leave, including annual leave, sick leave and maternity leave, in accordance with relevant laws and regulations. The Group promotes a balanced working environment by managing working hours and, where appropriate, providing compensatory leave arrangements. Employee engagement activities, such as staff gatherings, are organised to enhance communication and workplace cohesion.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Employee Composition

At the end of the Reporting Period, the Group had a total of 124 employees (2024: 135 employees). The employee composition by gender, age group, geographic region, and employee category at the end of the Reporting Period was as follows:

Employee Composition	2025	2024
<b>By Gender</b>		
Male	94 (76%)	105 (78%)
Female	30 (24%)	30 (22%)
<b>By Age Group</b>		
30 or below	25 (20%)	20 (15%)
31–50 years old	75 (61%)	88 (65%)
Over 50 years old	24 (19%)	27 (20%)
<b>By Geographical Region</b>		
Hong Kong	51 (41%)	58 (43%)
The PRC	72 (58%)	76 (56%)
Macau	1 (1%)	1 (1%)
<b>By Employee Category</b>		
Management	16 (13%)	32 (24%)
General staff	108 (87%)	103 (76%)

The employee annual turnover rate by gender, age group, and geographical region during the Reporting Period was as follows:

Employee Turnover Rate <sup>4</sup>	2025	2024
<b>By Gender</b>		
Male	16%	15%
Female	23%	37%
<b>By Age Group</b>		
30 or below	16%	10%
31–50 years old	19%	24%
Over 50 years old	17%	15%
<b>By Geographical Region</b>		
Hong Kong	14%	23%
The PRC	21%	19%
Macau	–	–
<b>Overall</b>	<b>18%</b>	<b>20%</b>

<sup>4</sup> Employee turnover rate by category = (The number of departures in the category in the year ÷ The number of employees in the category at the end of the year) × 100%

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## B2. HEALTH AND SAFETY

The Group places importance on maintaining a safe working environment for its employees, particularly in relation to event setup and on-site operations, which may involve equipment handling and on-site manual work.

### Compliance

The Group complies with applicable occupational health and safety laws and regulations in Hong Kong and the PRC, including but not limited to:

Hong Kong	<ul style="list-style-type: none"> <li>Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)</li> </ul>
The PRC	<ul style="list-style-type: none"> <li>Work Safety Law of the PRC</li> <li>Law of the PRC on Prevention and Control of Occupational Diseases</li> </ul>

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to occupational health and safety.

### Safety Management

Given the nature of the Group's operations, occupational risks may arise from equipment handling, setup and dismantling activities during project execution. The Group has established internal policies and procedures to manage health and safety risks. Key measures implemented by the Group include:

- (i) Conducting project-specific risk assessments and safety reviews prior to event setup and execution to identify and mitigate potential hazards;
- (ii) Providing safety training to employees, including induction training for new staff and periodic refresher training covering hazard awareness and safe work practices;
- (iii) Providing appropriate personal protective equipment and ensuring the availability of first-aid kits and fire safety equipment at workplaces;
- (iv) Maintaining incident reporting and hazard reporting mechanisms to facilitate timely identification and follow-up of safety issues;
- (v) Displaying safety signage and guidance materials at workplaces, including warehouses and project sites, to enhance employee awareness;
- (vi) Conducting regular inspection and maintenance of equipment to ensure safe operation; and
- (vii) Setting out health and safety guidelines in internal manuals and employee handbooks.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group maintains employees' compensation insurance coverage in accordance with applicable regulations to cover work-related injuries and occupational incidents. Employees are required to follow established safety procedures and are encouraged to report unsafe conditions to their supervisors in a timely manner.

<b>Occupational Health and Safety Statistics</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Number of lost days due to work injury	Nil	Nil	Nil
Number of work-related fatalities	Nil	Nil	Nil
Number of work-related injuries	Nil	Nil	Nil

During the Reporting Period, the Group did not record any work-related fatalities in each of the past three years. No work-related injuries were recorded, and accordingly, no lost days due to work-related injuries were reported.

### B3. DEVELOPMENT AND TRAINING

The Group provides training to support employees in performing their roles effectively and to meet operational requirements. Training programmes are designed with reference to business needs, applicable regulations and job-specific requirements.

The Group provides onboarding training for new employees and on-the-job training to enhance employees' skills, knowledge and competencies, particularly in relation to project execution, equipment usage and workplace safety. Employees are also encouraged to attend external training to enhance their professional knowledge, including training related to new technologies, software and equipment. Directors receive training on an ongoing basis to keep abreast of relevant regulatory requirements and industry developments. The Company Secretary also undertakes continuing professional development to meet the requirements of the GEM Listing Rules.

During the Reporting Period, the breakdown of employees who received training by gender and employee category is presented below:

<b>Employees Trained by Category<sup>5</sup></b>	<b>2025</b>	<b>2024</b>
<b>By Gender</b>		
Male	76%	78%
Female	24%	22%
<b>By Employment Category</b>		
Management	13%	24%
General Staff	87%	76%
<b>Overall</b>	<b>100%</b>	<b>100%</b>

<sup>5</sup> The percentage of employees trained by category = (The total number of employees trained in the category ÷ The total number of employees trained in the year) × 100%

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

In addition, the average training hours per employee by gender and employee category during the Reporting Period are presented below:

Average Training Hours <sup>6</sup>	2025	2024
<b>By Gender</b>		
Male	15.7	15.9
Female	15.7	15.7
<b>By Employment Category</b>		
Management	16.0	16.0
General Staff	15.7	15.8
<b>Overall</b>	15.7	15.9

The Group continues to provide training to support employees' development and operational needs. Training programmes are reviewed on an ongoing basis to ensure alignment with business requirements and industry developments.

### B4. LABOUR STANDARDS

The Group complies with applicable labour laws and regulations in Hong Kong and the PRC relating to the prevention of child labour and forced labour. The Group strictly prohibits the employment of child labour and any form of forced or compulsory labour in its operations.

To avoid the occurrence of such practices, the Group has established standardised recruitment and employment procedures. Prior to employment, the identity and age of candidates are verified through the review of valid identification documents to ensure compliance with legal working age requirements. Employment relationships are established voluntarily through formal employment contracts, which clearly set out the terms and conditions of employment, including working hours, remuneration, leave entitlements and termination arrangements in accordance with applicable laws and internal policies. The Group also maintains internal human resources policies and procedures to govern recruitment and employment practices, providing clear guidance to relevant personnel and supporting consistent implementation across its operations.

<sup>6</sup> Average training hours by category = The training hours of employees in the category in the year ÷ The number of employees in the category at the end of the year

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

In the unlikely event that any non-compliance relating to child labour or forced labour is identified, the Group will take prompt remedial actions. These include taking appropriate steps in accordance with applicable laws and regulations, conducting investigations to identify the root causes of the issue, and strengthening internal controls and procedures to prevent recurrence. Where necessary, appropriate corrective and disciplinary actions will be taken.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to child labour and forced labour.

### B5. SUPPLY CHAIN MANAGEMENT

The Group recognises that effective supply chain management is important to maintaining service quality and operational efficiency. The Group engages suppliers for the provision of services and materials required for project execution, including equipment, technical support and logistics services. The Group has established procurement policies and procedures to manage its supply chain and to address environmental and social risks associated with suppliers.

During the Reporting Period, the Group engaged a total of 178 suppliers. The geographical distribution of suppliers is as follows:

<b>Suppliers</b>	<b>2025</b>	<b>2024</b>
<b>By geographical region</b>	<b>Number</b>	<b>Number</b>
The PRC	125	216
Hong Kong	49	56
Macau	4	2
Singapore	–	1
<b>Total</b>	<b>178</b>	<b>275</b>

The Group adopts a structured approach in supplier selection and engagement. Suppliers are evaluated based on a range of criteria, including product and service quality, pricing, reliability, track record and compliance with applicable laws and regulations. Where appropriate, competitive tendering processes are conducted and tender evaluations are performed based on objective criteria. Procurement activities are governed by internal policies to ensure consistency and transparency.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group maintains ongoing communication with suppliers and monitors their performance during project execution. Key suppliers may be subject to periodic review based on their service quality and operational performance. Suppliers that do not meet the Group's requirements may be subject to review, suspension or replacement.

The Group recognises that environmental and social risks may arise along its supply chain, including risks related to environmental impacts, product safety and labour practices. The Group incorporates environmental and social considerations into its supplier evaluation and management processes to identify and manage such risks. These considerations may include compliance with environmental regulations, workplace safety standards and labour practices.

The Group also conducts inspections of equipment supplied, where applicable, to ensure compliance with relevant safety requirements and operational standards. If suppliers do not meet the Group's requirements, follow-up actions may be taken, including further review or termination of cooperation.

The Group encourages suppliers to adopt environmentally and socially responsible practices. During supplier selection, consideration may be given to the environmental performance and labour practices of suppliers. The Group continues to review and enhance its supply chain management practices, with a view to strengthening oversight of environmental and social risks across its supply chain.

### **B6. PROJECT AND SERVICE RESPONSIBILITY**

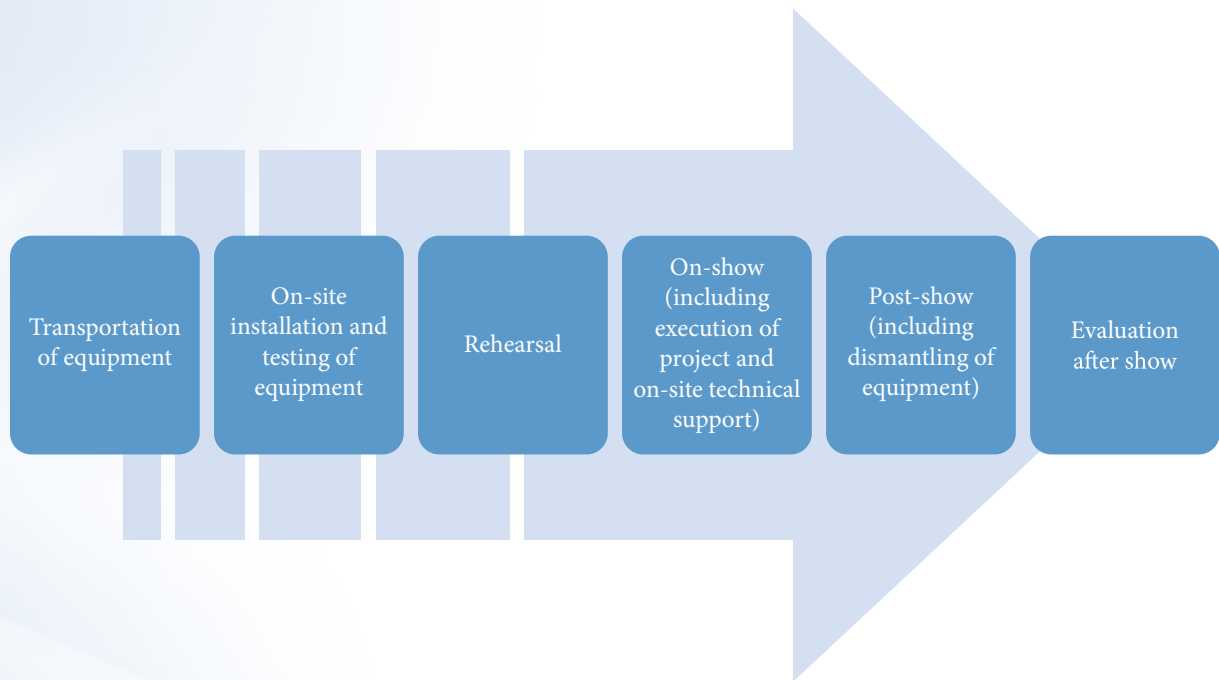
The Group places importance on service quality and customer satisfaction. The Group has established internal policies and procedures to support consistent service delivery and compliance with applicable laws and regulations in Hong Kong and the PRC.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant laws and regulations relating to product responsibility, including those concerning service quality, advertising, and data privacy.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Service Quality Management

The Group has established internal procedures to manage service quality throughout different stages of project execution, including planning, equipment preparation, on-site implementation and post-project evaluation.



Equipment and spare parts are sourced from suppliers based on factors such as quality and reliability. Upon receipt, equipment may be subject to inspection and functional testing to verify operational readiness. Prior to project execution, technicians conduct checks and rehearsals to ensure proper functionality, and contingency arrangements, such as standby equipment, may be implemented where appropriate.

Following project completion, internal reviews may be conducted to evaluate service performance, including project scheduling, operational execution and safety considerations. The results of such reviews are used to identify areas for improvement and support ongoing enhancement of service quality.

### Customer Relations

The Group places importance on maintaining effective communication with customers throughout project execution. Communication channels, including telephone and email, are available for handling customer enquiries and feedback.

Customer enquiries are handled by designated personnel, and responses are provided within a reasonable timeframe, taking into account the nature and complexity of the requests. The Group seeks to provide accurate and relevant information to customers to facilitate informed decision-making.

The Group has established procedures for handling customer complaints that are recorded and followed up by relevant personnel. Where appropriate, investigations are conducted to identify root causes, and follow-up actions are taken to address the issues and improve service quality. The Group also reviews customer feedback to identify areas for improvement in service delivery. Results of such reviews may be communicated internally to support continuous improvement.

During the Reporting Period, the Group did not receive any material complaints relating to its services.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Intellectual Property Management

The Group recognises the importance of protecting intellectual property rights in its operations, particularly in relation to the use of audio-visual materials, software and content in exhibitions, events and related services.

The Group has established internal policies and procedures governing the use of intellectual property. Employees are required to comply with relevant requirements when using software, music, videos and other materials in project execution. The use of unauthorised or pirated software is prohibited.

Where applicable, the Group takes steps to ensure that appropriate rights or permissions have been obtained for the use of third-party content provided by customers or other parties. The Group also reminds employees to avoid unauthorised recording or use of materials during project execution.

In addition, internal procedures are in place for handling potential intellectual property issues. Where suspected infringement is identified, the Group will conduct an internal review and take appropriate follow-up actions in accordance with relevant requirements. The Group continues to enhance its internal controls and staff awareness in relation to intellectual property protection.

### Data Privacy and Protection

The Group places importance on the protection of personal data and confidential information in the course of its operations, particularly in relation to customer information, employee records and project-related data arising from exhibitions, events and related services.

Personal data is collected only for legitimate business purposes and is handled in accordance with applicable laws and regulations. Access to personal data and sensitive information is restricted to authorised personnel on a need-to-know basis. The Group implements administrative and technical measures, including user access controls, password protection and system security measures, to reduce the risk of unauthorised access, disclosure or misuse of data.

In daily operations, employees are required to handle customer and project-related information with due care, particularly when using electronic communication channels or portable devices. Internal guidelines are in place to reduce the risk of improper disclosure of confidential information during project execution.

During the Reporting Period, the Group was not aware of any material incidents relating to data breaches or loss of customer or employee data.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

### Advertising

The Group conducts its business in accordance with applicable advertising and consumer protection laws and regulations in the PRC and Hong Kong, including relevant requirements governing fair trading, consumer protection and advertising practices.

The Group has implemented internal procedures to ensure that information provided in marketing and promotional materials is accurate and not misleading. Advertising and promotional content are subject to internal review before publication to support consistency and compliance with applicable requirements.

The Group seeks to ensure that descriptions of its services, capabilities and project references are based on factual information. Employees involved in the preparation of promotional materials are required to exercise due care to avoid misrepresentation or exaggeration.

During the Reporting Period, the Group was not aware of any material non-compliance with relevant advertising and consumer protection laws and regulations.

### B7. ANTI-CORRUPTION

The Group is committed to conducting its business in accordance with applicable anti-corruption, anti-bribery and related laws and regulations in Hong Kong and the PRC, including but not limited to:

Hong Kong	<ul style="list-style-type: none"> <li>• Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong)</li> <li>• Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong)</li> </ul>
The PRC	<ul style="list-style-type: none"> <li>• Criminal Law of the PRC</li> <li>• Anti-Unfair Competition Law of the PRC</li> </ul>

The Group maintains policies and internal codes of conduct that set out requirements on business ethics, anti-corruption, anti-fraud and conflicts of interest. Employees are required to comply with these policies when performing their duties.

The Group has implemented internal control measures to mitigate corruption risks, including approval procedures, segregation of duties, and procurement controls. Risk assessments are conducted on a periodic basis to review the effectiveness of relevant anti-corruption measures and to identify potential areas for improvement.

In procurement activities, employees are prohibited from soliciting or accepting any form of improper advantage from suppliers or business partners. Circulars and internal guidelines are issued from time to time to reinforce compliance requirements.

The Group has established a whistleblowing mechanism to allow employees to report suspected misconduct, fraud or unethical behaviour through designated channels, including telephone, email or written communication. All reported cases are handled confidentially. Whistleblowers are protected from retaliation, and cases are reviewed and followed up by designated personnel. Where appropriate, investigations are conducted, and corrective actions are taken in accordance with internal procedures.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

The Group provides anti-corruption training to employees to enhance awareness of ethical business conduct, conflict of interest management and relevant legal requirements. The number of employees who received anti-corruption training and training hours during the Reporting Period is set out below:

<b>Anti-corruption Training</b>	<b>2025</b>	<b>2024</b>
<b>Number of employees received training</b>		
Management	16	32
General staff	108	103
<b>Total employees</b>	<b>124</b>	<b>135</b>
<b>Number of training hours</b>		
Management	128	256
General staff	848	824
<b>Total training hours</b>	<b>976</b>	<b>1,088</b>

The Group has an internal audit function responsible for reviewing potential fraud and misconduct cases. Findings from investigations are reported to the management and the Audit Committee of the Board regularly, including case summaries and outcomes where applicable.

During the Reporting Period, the Group was not aware of any concluded legal cases regarding corrupt practices brought against the Group or its employees.

### B8. COMMUNITY INVESTMENT

The Group is committed to contributing to the communities in which it operates and recognising its role as a responsible corporate citizen. Community engagement initiatives, where appropriate, may include charitable donations, volunteer activities and participation in social or environmental programmes. During the Reporting Period, the Group did not engage in any community investment activities or related initiatives.

While no community investment activities were carried out during the Reporting Period, the Group remains open to supporting suitable community initiatives in the future, taking into account its operational priorities and available resources.

The Group will continue to consider opportunities to participate in community-related programmes where appropriate, with a focus on initiatives that align with its business nature and stakeholder expectations.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

## APPENDIX – HKEX ESG REPORTING CODE CONTENT INDEX

This report is prepared in accordance with the “Environmental, Social and Governance Reporting Code” under Appendix C2 of the GEM Listing Rules. The following table provides an overview of the general disclosures and KPIs of various aspects under each subject area, which are either cross-referenced to the relevant chapters of the Report or supplementing the Report with additional information.

Description		Reference/Statement
<b>Subject Area A – Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Repealed 1 January 2025	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them.	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Description		Reference/Statement
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change
<b>Subject Area B – SOCIAL</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group, and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	No work-related fatality occurred in each of the past three years, including the Reporting Year.
KPI B2.2	Lost days due to work injury.	No lost day due to work injury during the Reporting Period.
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Description		Reference/Statement
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description for training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	No instances of child labour or forced labour have been found within the Group.
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Project and Service Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	No products were sold or shipped.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (continued)

Description		Reference/Statement
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Project and Service Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Project and Service Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	As the Group's operations are primarily service-oriented and do not involve the sale of physical products, there were no product recall cases during the Reporting Period.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Project and Service Responsibility
<b>Aspect B7: Anti-Corruption</b>		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcome of the cases.	No concluded legal cases regarding corrupt practices were brought against the Group or its employees during the Reporting Period.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI 7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

## REPORT OF THE DIRECTORS

The Board is pleased to present the annual report together with the audited consolidated financial statements of the Group for the Reporting Period.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of visual, lighting and audio solutions services in Hong Kong, the PRC and Macau.

A fair review of the business of the Group, as well as a discussion and analysis of the Group's performance during the Reporting Period, and the material factors underlying its results of operations and financial position are set out in the section headed "Management Discussion and Analysis" in this annual report. These discussions form an integral part of this report of the Directors.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group recognises its social responsibility to protect the environment from its business activities and achieve environmental sustainability. The Group endeavours to comply with the laws and regulations regarding environmental protection and adopt effective measure to achieve efficient use of resources, energy saving and waste reduction.

The environmental, social and governance report, which forms an integral part of this annual report, is set out in the section headed "Environmental, Social and Governance Report" in this annual report.

### RESULTS AND APPROPRIATIONS

The financial performance of the Group for the Reporting Period and the financial position of the Group as at 31 December 2025 are set out in the audited consolidated financial statements on pages 79 to 145 of this annual report.

The Board has resolved not to recommend a final dividend for the Reporting Period (2024: Nil).

### SEGMENT INFORMATION

An analysis of the Group's performance for the Reporting Period by operating segment is set out in note 5 to the consolidated financial statements.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group is set out on page 146 of this annual report.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group during the Reporting Period are set out in note 14 to the consolidated financial statements.

### BORROWINGS

Particulars of borrowings of the Group as at 31 December 2025 are set out in note 23 to the consolidated financial statements.

## REPORT OF THE DIRECTORS (continued)

### SHARE CAPITAL

Details of movements in the share capital of the Company during the Reporting Period are set out in note 20 to the consolidated financial statements.

### RESERVES

Details of movements in reserves of the Group and the Company during the Reporting Period are set out in the consolidated statement of changes in equity and note 30 to the consolidated financial statements, respectively.

### DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company did not have any reserves available for distribution as calculated in accordance with the relevant provisions of the Companies Act of Cayman Islands.

### CHARITABLE DONATIONS

During the Reporting Period, the Group did not made any charitable donations (2024: Nil).

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries redeemed, purchased or sold any of the Company's securities during the Reporting Period.

### DIRECTORS

The Directors of the Company during the Reporting Period and up to the date of this annual report were as follows:

#### Executive Directors

Mr. Wong Man Por (*Chairman and Chief Executive Officer*)

Mr. Wong Chi Bor

#### Independent non-executive Directors

Dr. Leung Wai Cheung

Mr. Chan Wing Kee

Ms. Soon Yuk Tai

Pursuant to article 108(a) of the Articles, at each annual general meeting, at least one-third of the Directors shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

#### Confirmation of Independence

Each independent non-executive Director has given the Company a written confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company considers that all the independent non-executive Directors are independent and meet the independent guidelines set out in Rule 5.09 of the GEM Listing Rules.

## REPORT OF THE DIRECTORS (continued)

### DIRECTORS' SERVICE CONTRACTS

#### (a) Executive Directors

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from the date of the Listing, which may be terminated by not less than three month's notice served by either party. The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles.

#### (b) Independent non-executive Directors

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years commencing from the date of the Listing, which may be terminated by not less than three month's notice served by either party. The term of service of a Director is subject to the provisions on retirement by rotation of Directors as set out in the Articles.

Save as disclosed above, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Company or its subsidiaries, as applicable within one year without payment of compensation other than statutory compensation).

### EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND FIVE HIGHEST PAID INDIVIDUALS

The emolument of the Directors is recommended by the Remuneration Committee with reference to the benchmarking of the market. The Remuneration Committee also looks into individual Director's competence, duties, responsibilities and performance.

Details of the emoluments of (i) the Directors, (ii) chief executive and (iii) the five highest paid individuals of the Group are set out in notes 31 and 9 to the consolidated financial statements, respectively.

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Company are set out in the section headed "Biographical Details of Directors and Senior Management" in this annual report.

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, none of the Directors or any entity connected with any of them had any material interest, whether directly or indirectly, in any transaction, arrangement or contract of significance in relation to the business of the Group to which the Company or any of its subsidiaries, parent company or subsidiaries of the parent company was a party and subsisting at any time during or at the end of the Reporting Period.

As at 31 December 2025 and at any time during the Reporting Period, no contract of significance had been entered into between the Company, or any of its subsidiaries and the controlling shareholders of the Company or any of their subsidiaries.

## REPORT OF THE DIRECTORS (continued)

### DIRECTOR'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in this annual report, at no time during the Reporting Period was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company (including their spouses or children under 18 years of age) to have any right to subscribe for securities of the Company or any of its specified undertakings as defined in the Companies (Directors' Report) Regulation (Cap 622D of the laws of Hong Kong) or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

### MANAGEMENT CONTRACTS

Other than employment contracts, the Company did not enter into or have any management and/or administration contracts in respect of the whole or any substantial part of the business of the Company during the Reporting Period.

### DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS

During the Reporting Period and up to the date of this annual report, the Directors are not aware of any business and interest of the Directors nor the controlling shareholders of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interests which any such person has or may have with the Group during the Reporting Period.

### NON-COMPETITION UNDERTAKING

Each of Mega King Elite Investment Limited ("**Mega King**") and Mr. MP Wong (collectively, the "**Covenantors**") entered into a deed of non-competition in favour of the Group (the "**Deed of Non-competition**") on 1 December 2017, details of which are set out in the section headed "Relationship with Our Controlling Shareholders – Deed of non-competition" in the prospectus of the Company dated 8 December 2017 (the "**Prospectus**").

The Company received from each of the Covenantors an annual confirmation on their respective compliance of the non-competition undertaking under the Deed of Non-competition. The INEDs have reviewed the compliance of such undertaking and evaluated the effective implementation of the Deed of Non-competition and they were satisfied with the Covenantors' compliance with their undertaking for the Reporting Period.

## REPORT OF THE DIRECTORS (continued)

### DISCLOSURE OF DIRECTORS' INTERESTS

#### (a) Interests and short positions of Directors and chief executives in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2025, the interests and short positions of the Directors or the chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “SFO”)) which were required (i) 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 they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange, were as follows:

##### (i) Interests in the Company

Name of Director	Capacity/Nature of Interest	Number of Shares held/ interested in <small>(Note 1)</small>	Percentage of shareholding
Mr. MP Wong <small>(Note 2)</small>	Interest of a controlled corporation; founder and beneficiary of a discretionary trust	290,000,000 (L)	72.5%

Notes:

- The letter “L” denotes the person’s long position in the Shares.
- The 290,000,000 Shares are held by Mega King, and Mega King is wholly-owned and beneficially owned by Mr. Wong. By virtue of the provisions of Part XV of the SFO, Mr. Wong is deemed to be interested in all the Shares held by Mega King.

Mr. MP Wong is the founder of our Group, an executive Director and the chairman of our Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King and the 290,000,000 Shares beneficially owned by Mega King.

##### (ii) Long position in the shares of associated corporations

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of Shares held/ interested in	Percentage of shareholding
Mr. MP Wong <small>(Note 1)</small>	Mega King	Interest of a controlled corporation and founder	1	100%

Note:

- Mr. MP Wong is the founder of our Group, an executive Director and the chairman of our Company. Mr. MP Wong is the sole director of Mega King and therefore Mr. MP Wong is deemed or taken to be interested in the entire issued share of Mega King.

## REPORT OF THE DIRECTORS (continued)

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered into the register required to be kept therein; or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

### (b) Interests and short positions of the substantial shareholders and other persons in the shares, underlying shares and debentures of the Company and its associated corporations

As at 31 December 2025, so far as it is known to the Directors, the following persons (other than a Director or chief executives of the Company) had or were deemed to have interests or short positions in Shares or underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Name of shareholder	Capacity/Nature of Interest	Number of Shares held/ interested in <small>(Note 1)</small>	Percentage of shareholding
Mega King <small>(Note 2)</small>	Interest of controlled corporation	290,000,000 (L)	72.5%
Mrs. Wong <small>(Note 3)</small>	Interest of spouse	290,000,000 (L)	72.5%

Notes:

- The letter “L” denotes the person’s long position in the Shares.
- The 290,000,000 Shares are held by Mega King, and Mega King is wholly-owned and beneficially owned by Mr. Wong. By virtue of the provisions of Part XV of the SFO, Mr. Wong is deemed to be interested in all the Shares held by Mega King.
- Mrs. Wong is the spouse of Mr. MP Wong and is deemed or taken to be interested in all the Shares held by Mega King for the purpose of the SFO.

Save as disclosed above, as at 31 December 2025, the Directors have not been notified by any person who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### SHARE OPTION SCHEME

The Company conditionally adopted the Share Option Scheme on 1 December 2017 (“**Adoption Date**”). The Share Option Scheme will remain in force for a period of 10 years from 1 December 2017 to 30 November 2027. A summary of the principal terms of the Share Option Scheme pursuant to Rules 23.03 to 23.05A of Chapter 23 of the GEM Listing Rules are set out as follows:

#### 1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and services providers of our Group and to promote the success of the business of our Group.

## REPORT OF THE DIRECTORS (continued)

### 2. Participants of the Share Option Scheme

The Board may, at its absolute discretion and on such terms as it may think fit, grant any employee (full-time or part-time), director, consultant or adviser of our Group, or any substantial shareholder of our Group, or any distributor, contractors, supplier, agent, customer, business partner or services provider of our Group, options to subscribe at a price calculated in accordance with paragraph (8) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme. The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his/her contribution or potential contribution to the development and growth of our Group.

### 3. Total number of Shares available for issue under the Share Option Scheme and percentage of issued Shares

As at 31 December 2025 and up to date of this annual report, no share option has been granted under the Share Option Scheme. The maximum number of Shares available for issue under the Share Option Scheme is 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of this annual report.

### 4. Maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of the Company (including both exercised and outstanding options) to each eligible participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to: (i) the issue of a circular by the Company containing the identity of the eligible participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Chapter 23 of the GEM Listing Rules; and (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the GEM Listing Rules from time to time with such eligible participant and his/her close associates (as defined in the GEM Listing Rules) (or his/her associates if the eligible participant is a core connected person) abstaining from voting.

Where any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, would result in the shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the shares in issue, such further grant of options must be approved by the shareholders in general meeting.

### 5. The period within which the Shares must be exercised under the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, but shall not be more than 10 years from the date upon which the option is deemed to be granted and accepted.

### 6. The vesting period for which an option must be held before it can be exercised

Not less than 12 months.

### 7. Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.

## REPORT OF THE DIRECTORS (continued)

### 8. The basis of determining the exercise price

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share on the date of grant of the option.

### 9. The remaining life of the Share Option Scheme

The Share Option Scheme, unless otherwise terminated or amended, will remain in force for a period of ten years commencing on the date on the Adoption Date and shall expire at the close of business on the Business Day immediately preceding the tenth anniversary thereof. The remaining life of the Share Option Scheme is approximately 1 year 8 months as at the date of this annual report.

Since the adoption of the Share Option Scheme, no share options were granted, exercised or cancelled by the Company under the Share Option Scheme. There were no outstanding share options under the Share Option Scheme as at the date of this report of the Directors.

## EQUITY-LINKED AGREEMENTS

No equity-linked agreements were entered into by the Group, or existed during the Reporting Period.

## COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

## MAJOR CUSTOMERS AND SUPPLIERS

For the Reporting Period, the aggregate amount of revenue attributable to the Group's largest and the five largest customers accounted for approximately 7.4% and 28.4% (2024: 13.4% and 36.7%) of the total revenue of the Group, respectively. For the Reporting Period, the Group's cost of services from the largest and the five largest suppliers accounted for approximately 6.6% and 17.2% (2024: 3.5% and 14.8%) of the total cost of services of the Group, respectively. At no time during the Reporting Period did the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors, owns more than 5% of the Company's issued share capital) have any interest in the Group's major customers or suppliers as disclosed above.

## RELATED PARTY TRANSACTIONS

Details of the related party transactions entered into by the Group are set out in note 29 to the consolidated financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

## CONNECTED TRANSACTIONS

During the Reporting Period, the Group did not enter into any connected or continuing connected transactions that are not exempted under Chapter 20 of the GEM Listing Rules.

## REPORT OF THE DIRECTORS (continued)

### CORPORATE GOVERNANCE

The Company is committed to maintaining high level of corporate governance standards. Details of the corporate governance practices adopted by the Company are set out in the section headed “Corporate Governance Report” in this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

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

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive or similar rights under the laws of Caymans Islands or the Articles which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, every Director shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as he or she shall incur or sustain through his/her own fraud or dishonesty.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 124 employees in Hong Kong, the PRC and Macau (2024: 135 employees). The remuneration package the Group offered to the Group’s employees includes wages, salaries, performance related bonuses, other benefits and contribution to defined contribution pension plans. In general, the Group determines employees’ salaries based on each employee’s qualifications, position and seniority. The Group has designed an annual review system to assess the performance of the Group’s employees, which forms the basis of the Group’s decisions with respect to salary raises, bonuses and promotions. The Group also provides trainings to the employees to enhance their knowledge and maintain the quality of our services.

### RETIREMENT SCHEME

The Group participates in a pension scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance (“MPF Scheme”) for all employees in Hong Kong, which is a defined contribution retirement scheme. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of 5% of eligible employees’ relevant aggregate income and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. No forfeited contribution under the MPF Scheme is available to reduce the contribution payable in future years. The assets of this pension scheme are held separately from those of the Group in independently administered funds.

The employees of the Company’s subsidiaries which operate in mainland China are required to participate in a defined contribution pension scheme centrally operated by the local municipal government. These subsidiaries are required to contribute a certain proportion of its payroll costs to the central pension scheme. The only obligation of the Company with respect to the central pension scheme is to make the required contributions. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

## REPORT OF THE DIRECTORS (continued)

The employees of the Company's subsidiaries which operate in Macau are required to participate in a pension scheme operated by the government. The Group's Macau subsidiaries are required to contribute a percentage of their payroll costs to the pension scheme. No forfeited contribution under the central pension scheme is available to reduce the contribution payable in future years. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the pension scheme.

The total retirement benefit scheme contributions made by the Group amounted to approximately HK\$3.5 million for the Reporting Period (2024: HK\$3.8 million).

During the Reporting Period, no forfeited contributions (by employers on behalf of employees who leave the retirement schemes prior to vesting fully in such contributions) be used to reduce the existing level of contributions.

### RELATIONSHIP WITH STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its key stakeholders, including its employees, customers and suppliers, to meet its immediate and long-term business goals. During the Reporting Period, there were no material and significant disputes between the Group and its employees, customers and suppliers.

The Group recognises employees as one of its valuable assets and strictly complies with the labour laws and regulations and reviews regularly the existing staff benefits for improvement. Apart from the reasonable remuneration packages, the Group also offers other employee benefits, such as medical insurance. The Group provides good quality services to its customers. The Group also maintains effective communication and develops a long-term business relationship with the customers and suppliers.

### CLOSURE OF REGISTER OF MEMBERS

In order to establish entitlements to attend and vote at the forthcoming annual general meeting to be held on Friday, 29 May 2026, the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026 (both dates inclusive), during which period no transfer of the shares will be registered. Shareholders are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 22 May 2026. The record date for entitlement to attend and vote at the annual general meeting is Friday, 29 May 2026.

### EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this annual report, the Directors are not aware of any significant event requiring disclosure that has taken place subsequent to 31 December 2025 and up to the date of approval of this annual report.

### AUDITORS

The accounts for the year ended 31 December 2025 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Wong Man Por**

*Chairman and Executive Director*

Hong Kong, 31 March 2026

# INDEPENDENT AUDITORS' REPORT



國衛會計師事務所有限公司  
HODGSON IMPEY CHENG LIMITED

31/F, Gloucester Tower  
The Landmark  
11 Pedder Street  
Central  
Hong Kong

TO THE MEMBERS OF  
AV PROMOTIONS HOLDINGS LIMITED  
*(incorporated in Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of AV Promotions Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 79 to 145, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditors’ 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.

## MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to Note 2.1.1 to the consolidated financial statements, which indicates that the Group incurred a net loss of approximately HK\$5,571,000 during the year ended 31 December 2025 and as of that date, the Group’s current liabilities exceeded its current assets by approximately HK\$18,663,000 as at 31 December 2025. These conditions, along with other matters as described in Note 2.1.1 to the consolidated financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## INDEPENDENT AUDITORS' REPORT (continued)

### 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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of trade receivables and contract assets</p> <p><i>Refer to notes 2.7, 3.1(a), 18 and 24 to the consolidated financial statements</i></p> <p>As at 31 December 2025, the Group has trade receivables of approximately HK\$20,422,000 and contract assets of approximately HK\$13,837,000.</p> <p>To determine whether there is objective evidence of impairment, management considers a wide range of factors such as the creditworthiness, the past collection history of each customer, the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments. Management also considered forward-looking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment using the simplified approach.</p> <p>We focused on this area due to the use of significant judgement and estimates by management on the evaluation of the recoverability of trade receivables and contract assets.</p>	<p>Our procedures in relation to management's impairment assessment of trade receivables and contract assets included but not limited to:</p> <ul style="list-style-type: none"> <li>• Discussed and understood with the management on the estimation involved in determining the amount of expected credit loss allowance regarding the trade receivables and contract assets;</li> <li>• Tested aging of trade receivables balances at year end on a sample basis to the underlying invoices;</li> <li>• Evaluated the reasonableness of management assessment on expected credit losses by reviewing historical repayment records of relevant debtors on a sample basis;</li> <li>• Obtained the working paper files and valuation report prepared by valuation expert engaged by the management to evaluate the reasonableness of the forward-looking information used and re-calculated the expected credit losses; and</li> <li>• Evaluated the competence, capabilities and objectivity of the valuation expert engaged by the management.</li> </ul> <p>Based on the procedures performed, we found the management's impairment assessment of trade receivables and contract assets to be supported by the available supporting evidence.</p>

## **INDEPENDENT AUDITORS' REPORT** (continued)

### **OTHER INFORMATION IN THE ANNUAL REPORT**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon (the "Other information").

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

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

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

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA and the 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.

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

### **AUDITORS' 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 auditors' report that includes our opinion, solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## INDEPENDENT AUDITORS' REPORT (continued)

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

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

## **INDEPENDENT AUDITORS' REPORT** (continued)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement director on the audit resulting in the independent auditors' report is Mr. Lo Kin Kei (Practising Certificate Number: P06413).

**HLB Hodgson Impey Cheng Limited**  
*Certified Public Accountants*

Hong Kong, 31 March 2026

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Notes	Year ended 31 December	
		2025 HK\$'000	2024 HK\$'000
Revenue	6	107,942	125,887
Cost of services		(83,092)	(95,640)
<b>Gross profit</b>		<b>24,850</b>	<b>30,247</b>
Other income	6	275	378
Other (losses)/gains, net	7	(999)	1,347
(Provision for)/Reversal of impairment losses on trade receivables and contract assets		(270)	912
Selling expenses		(6,453)	(7,502)
Administrative expenses		(18,085)	(18,867)
<b>Operating (loss)/profit</b>		<b>(682)</b>	<b>6,515</b>
Finance income	10	1,129	2,335
Finance expenses	10	(4,506)	(7,839)
Finance expenses – net		(3,377)	(5,504)
<b>(Loss)/Profit before income tax</b>		<b>(4,059)</b>	<b>1,011</b>
Income tax (expense)/credit	12	(1,512)	747
<b>(Loss)/Profit for the year</b>		<b>(5,571)</b>	<b>1,758</b>
<b>(Loss)/Profit for the year attributable to:</b>			
– Owners of the Company		(5,569)	1,762
– Non-controlling interests		(2)	(4)
		<b>(5,571)</b>	<b>1,758</b>
<b>Basic and diluted (loss)/profit per share attributable to owners of the Company (HK cents)</b>	13	<b>(1.39)</b>	<b>0.44</b>

The accompany notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
<b>(Loss)/Profit for the year</b>	(5,571)	1,758
<b>Other comprehensive expense:</b>		
<i>Item that may be reclassified to profit or loss</i>		
Currency translation differences	(1,652)	(1,747)
<b>Total comprehensive (expense)/income for the year</b>	(7,223)	11
<b>Total comprehensive (expense)/income for the year attributable to:</b>		
– Owners of the Company	(7,221)	15
– Non-controlling interests	(2)	(4)
	(7,223)	11

The accompany notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	90,470	89,962
Right-of-use assets	15	443	2,114
Prepayments	18	1,640	–
Deposits	18	704	704
		93,257	92,780
<b>Current assets</b>			
Trade and bills receivables	18	20,427	17,765
Contract assets	24	13,837	16,404
Prepayments, deposits and other receivables	18	11,011	8,886
Pledged time deposits	19(b)	31,000	36,000
Cash and cash equivalents	19(a)	6,314	12,464
		82,589	91,519
<b>Total assets</b>		175,846	184,299
<b>EQUITY</b>			
Share capital	20	4,000	4,000
Share premium	20	41,901	41,901
Exchange reserve	21	(3,113)	(1,461)
Other reserves	21	5,314	5,314
Retained earnings		3,045	8,614
		51,147	58,368
Non-controlling interests		(9)	(7)
<b>Total equity</b>		51,138	58,361
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	16	5,694	2,691
Borrowings	23	17,650	17,650
Lease liabilities	15	112	338
		23,456	20,679

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)

	Notes	As at 31 December	
		2025 HK\$'000	2024 HK\$'000
<b>Current liabilities</b>			
Trade and bills payables	22	46,278	44,789
Accruals and other payables	22	10,449	8,180
Borrowings	23	41,259	46,076
Lease liabilities	15	226	1,843
Current income tax liabilities		3,040	4,371
		101,252	105,259
<b>Total liabilities</b>		124,708	125,938
<b>Total equity and liabilities</b>		175,846	184,299

The consolidated financial statements on pages 79 to 145 were approved by the Board of Directors on 31 March 2026 and were signed on its behalf by:

**Wong Man Por**  
*Chairman and Executive Director*

**Wong Chi Bor**  
*Executive Director*

The accompany notes form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company						Non-controlling interest	Total equity
	Share capital	Share premium	Exchange reserve	Other reserves	Retained earnings	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
<b>As at 1 January 2024</b>	4,000	41,901	286	5,314	6,852	58,353	(3)	58,350
<b>Comprehensive income</b>								
Profit/(Loss) for the year	-	-	-	-	1,762	1,762	(4)	1,758
<b>Other comprehensive expense</b>								
Currency translation differences	-	-	(1,747)	-	-	(1,747)	-	(1,747)
<b>Total comprehensive (expense)/ income</b>	-	-	(1,747)	-	1,762	15	(4)	11
<b>As at 31 December 2024 and 1 January 2025</b>	4,000	41,901	(1,461)	5,314	8,614	58,368	(7)	58,361
<b>Comprehensive expense</b>								
Loss for the year	-	-	-	-	(5,569)	(5,569)	(2)	(5,571)
<b>Other comprehensive expense</b>								
Currency translation differences	-	-	(1,652)	-	-	(1,652)	-	(1,652)
<b>Total comprehensive expense</b>	-	-	(1,652)	-	(5,569)	(7,221)	(2)	(7,223)
<b>As at 31 December 2025</b>	4,000	41,901	(3,113)	5,314	3,045	51,147	(9)	51,138

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from operating activities</b>		
(Loss)/Profit before income tax	(4,059)	1,011
Adjustments for:		
Finance expenses	4,506	7,839
Depreciation of property, plant and equipment	17,732	17,247
Depreciation of right-of-use assets	1,671	3,746
Gains on lease termination	–	(1,153)
Provision for/(Reversal of) impairment losses on trade receivables and contract assets	270	(912)
Bank interest income	(1,129)	(2,335)
Losses/(Gains) on disposals of property, plant and equipment	542	(123)
Operating cash flows before working capital changes	19,533	25,320
Changes in working capital:		
Trade and bills receivables	(2,742)	12,976
Contract assets	2,661	17,727
Prepayments, deposits and other receivables	(3,688)	(4,395)
Trade and bills payables	852	(6,952)
Accruals and other payables	1,808	(4,972)
Net cash generated from operating activities	18,424	39,704

## CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(18,739)	(21,000)
Proceeds from disposals of property, plant and equipment	–	44
Bank interest received	1,208	2,356
Decrease in pledged time deposits	5,000	25,000
<b>Net cash (used in)/generated from investing activities</b>	<b>(12,531)</b>	<b>6,400</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	37,128	11,866
Repayments of borrowings	(42,428)	(41,663)
Principal elements of lease payments	(1,843)	(2,764)
Payments of interest	(4,530)	(8,063)
<b>Net cash used in financing activities</b>	<b>(11,673)</b>	<b>(40,624)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,780)</b>	<b>5,480</b>
Cash and cash equivalents at beginning of year	12,464	7,344
Exchange losses on cash and cash equivalents	(370)	(360)
<b>Cash and cash equivalents at end of year</b>	<b>6,314</b>	<b>12,464</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 23 February 2017 as an exempted company with limited liability under the Companies Act (2021 Revision), formerly known as the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.

The Company is an investment holding company and its subsidiaries are principally engaged in provision of visual, lighting and audio solution services in Hong Kong, the PRC and Macau. As of 31 December 2025, the ultimate holding company of the Company is Mega King Elite Investment Limited incorporated in the British Virgin Islands ("BVI"). The ultimate controlling party of the Group is Mr. Wong Man Por ("Mr. MP Wong").

The shares of the Company were listed on the GEM of The Stock Exchange of Hong Kong Limited on 21 December 2017.

These consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decision made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Hong Kong Stock Exchange and by the Hong Kong Companies Ordinance. The consolidated financial statements have been prepared on a historical cost basis.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.1 Basis of preparation (Continued)

##### *2.1.1 Going concern*

During the year ended 31 December 2025, the Group reported a net loss of approximately HK\$5,571,000 and as at 31 December 2025, the Group's current liabilities exceeded its current assets by approximately HK\$18,663,000. These conditions indicated the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of such circumstance, the directors of the Group has given careful consideration to the future performance and liquidity of the Group. The Group has been continuously implementing measures to improve its profitability and operating performance and to mitigate the liquidity pressure. These measures include (1) implementing business strategies to secure more projects and enhance the operation efficiency of the Group's provision of visual, lighting and audio solutions services in Hong Kong, the PRC and Macau, (2) aiming to reduce the direct operating costs, (3) continuing its measures to control administrative and other operating expenses, (4) looking for other possible financing options to strengthen the liquidity of the Group, and (5) reducing addition of property, plant and equipment based on cash flow position.

The directors of the Company have assessed the Group's cash flow projections cover a period of not less than twelve months from 31 December 2025. The key factors that are taken into account by management in the cash flow projections include the anticipated cash flows from the Group's operations, capital expenditures, continuous availability of bank facilities. The Group's ability to achieve the projected cash flows depends on management's ability to successfully implement the aforementioned measures on profitability and liquidity and the continuous availability of bank facilities.

With respect to the Group's bank financing, the Group maintains continuous communication with its principal banks. The directors are not aware of any intention of the principal banks to require early repayment of the bank borrowings. The ultimate controlling party has undertaken to provide financial support for the continuing operations and to meet its liabilities as they fall due.

The directors are of the view that the Group has sufficient working capital for its present requirements for the next twelve months from the end of the reporting period and accordingly, the consolidated financial statements have been prepared on a going concern basis.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.1 Basis of preparation (Continued)

##### *2.1.2 Amendments to HKFRS Accounting Standards adopted by the Group*

The Group has applied the following amendments to HKFRS Accounting Standards for its annual reporting period commencing 1 January 2025:

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

The adoption of the amendments to HKFRS Accounting Standards for the year ended 31 December 2025 has had no material impact on the amounts reported in these consolidated results and/or disclosures set out in these consolidated results.

##### *2.1.3 New and amendments to HKFRS Accounting Standards not yet adopted*

Certain new and amendment to HKFRS Accounting Standards have been published that are not mandatory for 31 December 2025 reporting period and have not been early adopted by the Group.

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

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

### 2.1 Basis of preparation (Continued)

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

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

#### *HKFRS 18 Presentation and Disclosure in Financial Statements*

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

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.2 Subsidiaries

##### *2.2.1 Consolidation*

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

##### *2.2.2 Separate consolidated financial statements*

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate consolidated financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### 2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as board of directors that makes strategic decisions.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.4 Foreign currency translation

*(a) Functional and presentation currency*

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

*(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

*(c) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation of property, plant and equipment is calculated using the straight-line method after taking into account of their estimated residual values at the following rates:

Leasehold improvements	20% per annum or over the lease terms, whichever is shorter
Machinery and equipment	10%–20% per annum
Furniture and fixtures	20% per annum
Motor vehicles	20% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other (losses)/gains, net" in the consolidated statement of profit or loss.

#### 2.6 Impairment of non-current non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-current non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.7 Financial assets

##### *2.7.1 Classification*

The Group classifies its financial assets as those to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

##### *2.7.2 Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### *2.7.3 Measurement*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains, net, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

##### *2.7.4 Impairment*

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables and contract assets, see Note 3.1(a) for further details.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.8 Trade, bills and other receivables

Trade receivables are amounts due from customers for services provided in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, in which case they are recognised at fair value. If collection of trade, bills and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade, bills and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

#### 2.9 Cash and cash equivalents

In the consolidated statements of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

#### 2.10 Pledged time deposits

Pledged time deposits represent fixed deposits pledged to the banks for issuance of bank facilities and bank borrowings.

#### 2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.12 Trade, bills and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade, bills and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade, bills and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.13 Contract assets and contract liabilities

Upon entering in to a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or provide services to the customers. The combination of those rights and performance obligation give rise to a net asset or a net liability depending on the relationship between the remaining rights and the performance obligations. The contract is an asset and recognised as contract assets if the measure of the remaining rights exceeds the measure of the remaining performance obligation. Conversely, the contract is a liability and recognised as contract liabilities if the measure of the remaining performance obligations exceeds the measure of the remaining rights.

Contract asset are assessed for expected credit losses in accordance with the policy set out in Note 2.7 and are reclassified to receivables when the right to the consideration has become unconditional.

#### 2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the group is required to comply with after the reporting period do not affect the classification at the reporting date.

#### 2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.16 Current and deferred income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

*(a) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

*(b) Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.17 Employee benefits

*(a) Pension obligations*

A defined contribution plan is a pension plan which the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Pursuant to the government regulations in HK and the PRC, the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 5% to 20% of the wages for the year of those employees. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. No forfeited contribution under the defined contribution plan is available to reduce the contribution payable in the future years.

*(b) Bonus plans*

The Group recognises a liability and an expenses for bonus payments when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

*(c) Employee leave entitlements*

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

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

*(d) Long service payments*

The Group accounts for the employer Mandatory Provident Fund Scheme Ordinance (“MPF Scheme”) contributions expected to be offset as a deemed employee contribution towards the long service payments obligation in terms of HKAS 19.93(a) and it is measure on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group’s MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 2.19 Revenue recognition

Revenue from the provision of visual, lighting and audio solution services is recognised over time when the services have been rendered. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of discounts and value added taxes.

When the outcome of a contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

The customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

#### 2.20 Interest income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.21 Leases

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception of the contract. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

##### *The Group as lessee*

##### *Allocation of consideration to components of a contract*

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group also applies practical expedient not to separate non-lease components from lease component, and instead account for the lease component and any associated non-lease components as a single lease component.

##### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to leases of properties and equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

##### *Right-of-use assets*

The cost of right-of-use assets includes:

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.21 Leases (Continued)

##### *The Group as lessee (Continued)*

##### *Right-of-use assets (Continued)*

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

The Group presents right-of-use assets as a separate line item on the consolidated statements of financial position.

##### *Refundable rental deposits*

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

##### *Lease liabilities*

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

The lease payments include:

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.21 Leases (Continued)

##### *The Group as lessee (Continued)*

##### *Lease liabilities (Continued)*

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

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

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

The Group presents lease liabilities as a separate line item on the consolidated statements of financial position.

##### *Lease modifications*

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

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

#### 2.22 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividends are approved by the then shareholders or directors, where appropriate.

#### 2.23 Profit/Loss per share

(i) *Basic profit/loss per share attributable to owners of the Company*

Basic profit/loss per share is calculated by dividing:

- the profit/loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) *Diluted profit/loss per share*

Diluted profit/loss per share adjusts the figures used in the determination of basic profit/loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### 2.24 Government grants

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and cash flow and fair value interest rate risk) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

##### *(a) Credit risk*

The carrying amounts of cash at banks, pledged time deposits, deposits and other receivables, trade and bills receivables and contract assets included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk in relation to its financial assets.

##### *(i) Risk management*

The Group's bank balances are deposited in reputable banks with the credit rating ranging from Baa2 to Aa1. As such, no significant credit risk is anticipated.

At 31 December 2025, the Group is exposed to concentration of credit risk to the extent that approximately HK\$6,257,000 (2024: HK\$5,690,000) of trade receivables are attributable by the top five customers. The Group trades only with recognised and creditworthy third parties. Receivables balances are monitored on an ongoing basis in order to minimise the exposure to bad debts.

##### *(ii) Impairment of financial assets and contract assets*

The Group's trade receivables and contract assets are subject to the expected credit loss model.

While cash and cash equivalents, pledged time deposits, deposits and other receivables and bills receivables are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Cash and cash equivalents and pledged time deposits

Credit risk on cash and cash equivalents and pledged time deposits is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies and therefore no loss allowance was recognised.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

(a) *Credit risk (Continued)*

(ii) *Impairment of financial assets and contract assets (Continued)*

Deposits and other receivables and bills receivables

For deposits and other receivables and bills receivables, the management makes assessment on the recoverability of deposits and other receivables and bills receivables based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The Group assessed the expected credit loss for deposits and other receivables and bills receivables are insignificant and thus no loss allowance is recognised.

Trade receivables and contract assets

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

##### Trade receivables and contract assets (Continued)

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2025 or 31 December 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified payment pattern, creditworthiness, the past collection history of each customer, the probability of insolvency or significant financial difficulties of the counterparty and default or significant delay in payments to be most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2025 and 2024 for trade receivables was determined as follows:

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
<b>31 December 2025</b>					
Expected loss rate for trade receivables from the PRC customers	1.12%	8.50%	19.88%	84.01%	
Gross carrying amount – trade receivables from the PRC customers (HK\$'000)	8,848	1,375	1,111	651	11,985
Loss allowance (HK\$'000)	99	117	221	547	984
Expected loss rate for trade receivables from Hong Kong and Macau customers	0%	0%	0%	100%	
Gross carrying amount – trade receivables from Hong Kong and Macau customers (HK\$'000)	7,253	2,139	29	10	9,431
Loss allowance (HK\$'000)	–	–	–	10	10
<b>Total loss allowance (HK\$'000)</b>	<b>99</b>	<b>117</b>	<b>221</b>	<b>557</b>	<b>994</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

##### Trade receivables and contract assets (Continued)

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
<b>31 December 2024</b>					
Expected loss rate for trade receivables from the PRC customers	0.67%	5.71%	16.45%	100%	
Gross carrying amount - trade receivables from the PRC customers (HK\$'000)	7,086	830	45	577	8,538
Loss allowance (HK\$'000)	48	47	7	577	679
Expected loss rate for trade receivables from Hong Kong and Macau customers	0.04%	0.25%	N/A	100%	
Gross carrying amount - trade receivables from Hong Kong and Macau customers (HK\$'000)	8,816	215	-	50	9,081
Loss allowance (HK\$'000)	3	1	-	50	54
Total loss allowance (HK\$'000)	51	48	7	627	733

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

Trade receivables and contract assets (Continued)

On that basis, the loss allowance as at 31 December 2025 and 2024 for contract assets was determined as follows:

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
<b>31 December 2025</b>					
Expected loss rate for contract assets from the PRC customers	1.12%	N/A	N/A	N/A	
Gross carrying amount - contract assets from the PRC customers (HK\$'000)	13,993	-	-	-	13,993
Loss allowance (HK\$'000)	156	-	-	-	156
Expected loss rate for contract assets from Hong Kong and Macau customers	N/A	N/A	N/A	N/A	
Gross carrying amount - contract assets from Hong Kong and Macau customers (HK\$'000)	-	-	-	-	-
Loss allowance (HK\$'000)	-	-	-	-	-
<b>Total loss allowance (HK\$'000)</b>	<b>156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>156</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Credit risk (Continued)

##### (ii) Impairment of financial assets (Continued)

##### Trade receivables and contract assets (Continued)

	Current	1 to 3 months	3 to 6 months	Over 6 months	Total
<b>31 December 2024</b>					
Expected loss rate for contract assets from the PRC customers	0.67%	N/A	N/A	N/A	
Gross carrying amount - contract assets from the PRC customers (HK\$'000)	15,429	-	-	-	15,429
Loss allowance (HK\$'000)	103	-	-	-	103
Expected loss rate for contract assets from Hong Kong and Macau customers	0.04%	N/A	N/A	N/A	
Gross carrying amount - contract assets from Hong Kong and Macau customers (HK\$'000)	1,078	-	-	-	1,078
Loss allowance (HK\$'000)	-	-	-	-	-
Total loss allowance (HK\$'000)	103	-	-	-	103

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period beyond normal operating cycle. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### *(b) Market risk*

##### *(i) Foreign exchange risk*

The Group mainly operates in Hong Kong, the PRC and Macau with most of the transactions settled in HK\$, Renminbi (“RMB”) and Macau Pataca (“MOP”), functional currencies of the respective operating entities. Foreign exchange risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the respective entity’s functional currency. The Group is exposed to foreign exchange risk primarily with respect to RMB and the foreign exchange risk with MOP is minimal.

Other than certain bank balances, the Group’s assets and liabilities are primarily denominated in HK\$, RMB and MOP. The Group generates HK\$, RMB and MOP from sales in Hong Kong, the PRC and Macau respectively to meet its liabilities denominated in HK\$, RMB and MOP. The Group does not hedge its exposure to the foreign currencies.

As at 31 December 2025, there was approximately HK\$764,000 of bank balances (2024: HK\$1,650,000) denominated in RMB.

As at 31 December 2025, if RMB had weakened/strengthened by 5% against HKD with all other variables held constant, the post-tax loss for the year ended 31 December 2025 would have been HK\$32,000 lower/higher (2024: HK\$69,000 lower/higher), mainly as a result of foreign exchange gains or losses on translation of RMB denominated cash and cash equivalents.

The Group has certain investments in foreign operations, which net assets are exposed to foreign currency translation risk. The Group recorded other comprehensive expense of currency translation differences of approximately HK\$1,652,000 (2024: HK\$1,747,000) during the year. Foreign currency denominated inter-company receivables and payables that do not form part of a net investment in a foreign operation are insignificant.

As at 31 December 2025 and 2024, except the cash and cash equivalents’ foreign exchange risks on financial assets and liabilities denominated in currencies other than functional currencies were insignificant to the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### *(b) Market risk (Continued)*

##### *(ii) Cash flow and fair value interest rate risk*

Other than the cash at banks and borrowings, the Company has no other significant interest-bearing assets or liabilities. The Group's cash at banks carry at low interest rates and the interest income of which is not significant.

The Group's exposure to changes in interest rates was mainly attributable to its borrowings from bank. Bank borrowings of variable rates exposed the Group to cash flow interest rate risk. The Group has not hedged its cash flow interest rate risk. The interest rate and terms of repayments of borrowings are disclosed in Note 23.

At 31 December 2025 and 2024, if interest rates on borrowings at floating rates had been 100 basis points higher/lower with all other variables held constant, the post-tax loss for the year ended 31 December 2025 would increase/decrease by approximately HK\$335,000 (2024: increase/decrease by HK\$376,000).

The Group is also exposed to fair value interest rate risk as a result of loan from third party and loan from a director which are at fixed rate. The Group monitors the related interest rate risk exposure closely.

##### *(c) Liquidity risk*

Liquidity risk is the risk that the Group is unable to meet its obligations when they fall due, resulting from amount and maturity mismatches of assets and liabilities.

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and monitoring the Group's working capital to ensure that all liabilities due and known funding requirements could be met.

The table below analyses the financial liabilities of the Group into relevant maturity groupings based on the remaining period at the date of the consolidated statements of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows (including interests payments computed using contractual rates). Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment and no interest payments were included. The maturity analysis for financial liabilities is prepared based on the scheduled repayment dates.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

	On demand HK\$'000	Within 1 year HK\$'000	Between 1 to 2 years HK\$'000	Between 2 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
<b>As at 31 December 2025</b>						
Trade and bills payables	–	46,278	–	–	46,278	46,278
Accruals and other payables	–	9,520	–	–	9,520	9,520
Lease liabilities	–	240	84	35	359	338
Bank borrowings	41,259	–	–	–	41,259	41,259
Loan from a third party	–	750	750	15,750	17,250	15,000
Loan from a director	–	133	133	2,783	3,049	2,650
	41,259	56,921	967	18,568	117,715	115,045
<b>As at 31 December 2024</b>						
Trade and bills payables	–	44,789	–	–	44,789	44,789
Accruals and other payables	–	8,012	–	–	8,012	8,012
Lease liabilities	–	1,952	240	119	2,311	2,181
Bank borrowings	46,076	–	–	–	46,076	46,076
Loan from a third party	–	750	750	16,500	18,000	15,000
Loan from a director	–	133	133	2,914	3,180	2,650
	46,076	55,636	1,123	19,533	122,368	118,708

The table below summarises the maturity analysis of borrowings with a repayment on demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates or if floating, based on the current rates at the period-end date. As a result, these amounts were greater than the amounts disclosed in the “on demand” time band in the maturity analysis contained in the above table. Taking into account the Group’s financial position, the management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The maturity analysis for the bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements without taking into account of repayment on demand clause.

	Maturity analysis - Bank borrowings and interest payable without taking into account of repayment on demand clause of certain bank borrowings, based on scheduled repayments				Total	Carrying amount HK\$'000
	Within 1 year HK\$'000	1 to 2 years HK\$'000	2 to 5 years HK\$'000	Over 5 years HK\$'000	undiscounted cash flows HK\$'000	
As at 31 December 2025	38,103	1,670	2,483	1,032	43,288	41,259
As at 31 December 2024	44,970	1,114	1,419	1,559	49,062	46,076

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares or sell assets to reduce debt.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management (Continued)

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total equity attributable to owners of the Company plus net debt. Net debt is calculated as total borrowings and lease liabilities (including current and non-current portions as shown in the consolidated statements of financial position) less cash and cash equivalents and pledged time deposits.

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Borrowings	58,909	63,726
Lease liabilities	338	2,181
Less:		
Cash and cash equivalents	(6,314)	(12,464)
Pledged time deposits	(31,000)	(36,000)
Net debt	21,933	17,443
Total equity attributable to owners of the Company	51,147	58,368
Gearing ratio	30.0%	23.0%

There were no changes in the Group's approach to capital management during the years ended 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires of the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Impairment of trade receivables and contract assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 3.1(a).

#### **Impairment assessment for non-current non-financial assets**

The Group tests whether non-current non-financial assets have suffered any impairment in accordance with the accounting policy stated in Note 2.6. Determining whether non-current non-financial assets are impaired requires an estimate of the value-in use of the asset. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the assets and also choose a suitable discount rate in order to calculate the present value of those cash flows. Where the actual future cash flows are less than expected, a material impairment loss may arise.

### 5 SEGMENT INFORMATION

The Board has been identified as the chief operating decision makers.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The Group provides visual, lighting and audio solution services. The resources are allocated based on what is most beneficial to the Group in enhancing the value as a whole, instead of any specific unit.

The Group's chief operating decision makers consider that the performance assessment of the Group should be based on the profit or loss before income tax of the Group as a whole. Accordingly, the management considers there is only one operating segment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 5 SEGMENT INFORMATION (Continued)

- (a) Revenue based on the geographic location that the Group derives revenue from customers as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Hong Kong	66,073	83,726
The PRC	41,799	42,161
Macau	70	–
	107,942	125,887

- (b) Revenue individually generated from the following customer contributed more than 10% of the total revenue of the Group:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Customer A	N/A	16,903

The customer did not contribute over 10% or more to the Group's revenue during the year ended 31 December 2025.

- (c) The non-current assets are allocated based on the physical location of the assets as below:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Hong Kong	92,620	91,408
The PRC	637	1,372
Total non-current assets per consolidated statement of financial position	93,257	92,780

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 6 REVENUE AND OTHER INCOME

Revenue represents the net invoiced value of services rendered, after allowances for trade discounts. The Group's revenue recognised are as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Revenue from services	107,942	125,887

The performance obligation is satisfied when services are rendered. The transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2025 are all expected to be recognised within one year.

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Government grants	150	351
Sundry income	125	27
	275	378

During the year ended 31 December 2025, the Group recognised government grants of approximately HK\$150,000 (2024: HK\$351,000) relates to industrial support subsidies provided by the Government of the PRC. There are no unfulfilled conditions or other contingencies attaching to the government grants.

### 7 OTHER (LOSSES)/GAINS, NET

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Exchange differences – net	(457)	71
Gain on lease termination	–	1,153
(Losses)/Gains on disposals of property, plant and equipment	(542)	123
	(999)	1,347

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 8 EXPENSES BY NATURE

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Auditors' remuneration	650	700
Depreciation of property, plant and equipment	17,732	17,247
Depreciation of right-of-use assets	1,671	3,746
Employee benefit expenses	45,334	48,532
Entertainment expenses	618	1,522
Freight expenses	3,900	4,377
Legal and professional fees	850	775
Material cost of consumables	4,334	4,645
Short-term leases payments	25,444	30,216
Travel expenses	2,462	3,767
Other expenses	4,635	6,482
<b>Total cost of services, selling expenses and administrative expenses</b>	<b>107,630</b>	<b>122,009</b>

### 9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Wages, salaries and bonus	38,409	41,477
Pension costs – defined contribution plans	3,471	3,827
Other staff welfare and benefit	3,454	3,228
	<b>45,334</b>	<b>48,532</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 9 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) (Continued)

#### Five highest paid individuals

For the year ended 31 December 2025, the five individuals whose emoluments were the highest in the Group included two (2024: two) directors, whose emoluments were reflected in Note 31. The emoluments paid to the remaining three (2024: three) individuals, are as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Salaries, allowance and benefits in kind	2,077	2,101
Bonus	272	–
Pension costs – defined contribution plans	36	36
	2,385	2,137

The emoluments of the remaining individuals fell within the following bands:

	Year ended 31 December	
	2025 Number of individuals	2024 Number of individuals
Nil – HK\$1,000,000	3	3

### 10 FINANCE INCOME AND EXPENSES

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Interest income		
– Bank interest income	1,129	2,335
Finance income	1,129	2,335
Interest expenses		
– Lease liabilities	(109)	(1,171)
– Borrowings	(4,397)	(6,668)
Finance expenses	(4,506)	(7,839)
Finance expenses – net	(3,377)	(5,504)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 11 SUBSIDIARIES

Particulars of all subsidiaries at 31 December 2025 and 2024 were as follows:

Name of entity	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued share capital/registered capital	Percentage of equity attributable to the Company			
				Direct		Indirect	
				2025	2024	2025	2024
AVP (Macau) Investment Limited	BVI, limited liability company	Investment holding in BVI	US\$1	100%	100%	–	–
AVP (BVI) Limited	BVI, limited liability company	Investment holding in BVI	US\$1	100%	100%	–	–
AV Promotions (BVI) Limited	BVI, limited liability company	Investment holding in BVI	US\$100	100%	100%	–	–
AVP (Macao) Limited	Macau, limited liability company	Provision of visual, lighting and audio solution services in Macau	MOP300,000	–	–	100%	100%
AV Promotions Limited	Hong Kong, limited liability company	Provision of visual, lighting and audio solution services in Hong Kong	HK\$75,009,500	–	–	100%	100%
AV Cultural Promotions Limited	Hong Kong, limited liability company	Provision of visual, lighting and audio solution services in Hong Kong	HK\$10,000	–	–	55%	55%
上海奧維舞台設備有限公司	The PRC, limited liability company	Provision of visual, lighting and audio solution services in the PRC	RMB50,000,000	–	–	100%	100%
廣州市艾維展覽服務有限公司	The PRC, limited liability company	Provision of visual, lighting and audio solution services in the PRC	RMB1,000,000	–	–	100%	100%
上海奧高舞台設備有限公司	The PRC, limited liability company	Provision of visual, lighting and audio solution services in the PRC	RMB5,000,000	–	–	100%	100%

Notes:

- None of the subsidiaries had issued any listed securities at the end of the reporting period. The Group had no subsidiaries which have material non-controlling interests for the years ended 31 December 2025 and 2024.
- The issued share capital of AV Promotions Limited increased to HK\$75,009,500 on 6 January 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 12 INCOME TAX

The amount of taxation charged/(credited) to the consolidated statement of profit or loss represents:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Over provision in prior years		
– The PRC	(1,491)	(1,030)
Deferred income tax (Note 16)	3,003	283
Income tax expense/(credit)	1,512	(747)

Pursuant to the enactment of two-tiered profit tax rates issued by the Inland Revenue Department (“IRD”) of Hong Kong from the year of assessment 2018/19 onwards, the Group’s first HK\$2 million of assessable profits under Hong Kong profits tax for the years ended 31 December 2025 and 2024 is subject to a tax rate of 8.25%, while the remaining assessable profits are subject to a tax rate of 16.5%. No provision for Hong Kong Profit Tax has been made as the Group did not generate any assessable profits during the year (2024: Nil).

PRC Enterprise Income Tax has been provided at the rate of 25% (2024: 25%) on the estimated assessable profits for the year ended 31 December 2025.

Macau complementary tax has been provided at the rate of 12% (2024: 12%) on the estimated assessable profits exceeding MOP600,000 (2024: MOP600,000) during the year ended 31 December 2025.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 12 INCOME TAX (Continued)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the domestic income tax rate applicable to profits of the Group's entities as follows:

	Year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
(Loss)/Profit before income tax	(4,059)	1,011
Tax calculated at domestic tax rate in the respective countries	(765)	409
Over provision in prior years	(1,491)	(1,030)
Expenses not deductible for tax purposes	25	53
Income not subject to taxation	(25)	(5)
Utilisation of previous year unrecognised tax loss	(187)	(266)
Tax effect of tax losses not recognised	3,955	92
	1,512	(747)

### 13 BASIC AND DILUTED (LOSS)/PROFIT PER SHARE

#### (a) Basic

The basic (loss)/profit per share is calculated by dividing the (loss)/profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

	Year ended 31 December	
	2025	2024
(Loss)/Profit attributable to owners of the Company (HK\$'000)	(5,569)	1,762
Weighted average number of shares in issue (thousands shares)	400,000	400,000
Basic (Loss)/Profit per share (HK cents)	(1.39)	0.44

#### (b) Diluted

Diluted (loss)/profit per share presented is the same as the basic (loss)/profit per share as there were no dilutive potential ordinary share outstanding as at 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Machinery and equipment HK\$'000	Furniture and fixtures HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Year ended 31 December 2024</b>					
Opening net book value	1,530	83,752	713	273	86,268
Additions	-	20,602	48	350	21,000
Depreciation	(517)	(16,429)	(193)	(108)	(17,247)
Disposals	-	-	(11)	-	(11)
Currency translation difference	(21)	-	(13)	(14)	(48)
<b>Closing net book value</b>	<b>992</b>	<b>87,925</b>	<b>544</b>	<b>501</b>	<b>89,962</b>
At 31 December 2024					
Cost	1,939	208,041	2,740	3,125	215,845
Accumulated depreciation and impairment	(947)	(120,116)	(2,196)	(2,624)	(125,883)
<b>Net book value</b>	<b>992</b>	<b>87,925</b>	<b>544</b>	<b>501</b>	<b>89,962</b>
<b>Year ended 31 December 2025</b>					
Opening net book value	992	87,925	544	501	89,962
Additions	779	17,918	42	-	18,739
Depreciation	(1,134)	(16,259)	(196)	(143)	(17,732)
Disposals	(542)	-	-	-	(542)
Currency translation difference	11	-	13	19	43
<b>Closing net book value</b>	<b>106</b>	<b>89,584</b>	<b>403</b>	<b>377</b>	<b>90,470</b>
At 31 December 2025					
Cost	1,865	182,704	1,175	2,276	188,020
Accumulated depreciation and impairment	(1,759)	(93,120)	(772)	(1,899)	(97,550)
<b>Net book value</b>	<b>106</b>	<b>89,584</b>	<b>403</b>	<b>377</b>	<b>90,470</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 14 PROPERTY, PLANT AND EQUIPMENT (Continued)

Depreciation expenses of approximately HK\$16,259,000 (2024: HK\$16,429,000) and approximately HK\$1,473,000 (2024: HK\$818,000) have been charged to cost of services and administrative expenses respectively in the consolidated statement of profit or loss for the year ended 31 December 2025.

As at 31 December 2025, due to the unstable economic conditions may have an adverse effect on the cash generating units (CGUs) “Provision of visual, lighting and audio solutions services in Hong Kong and Macau (CGU1)” and “Provision of visual, lighting and audio solutions services in the PRC (CGU2)”, the management of the Group concluded there was indication for impairment and conducted impairment assessment on recoverable amounts of the property, plant and equipment and right-of-use assets attributable to the CGUs. The recoverable amount of the CGUs has been determined based on a value-in-use calculation. As at 31 December 2025, based on the result of the assessment, management of the Group determined that the recoverable amount of the CGUs are higher than the carrying amount. No impairment loss on both property, plant and equipment and right-of-use assets was recognised during the period.

### 15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the Group is a lessee.

#### (i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
<b>Right-of-use assets</b>		
Properties	133	1,724
Motor vehicle	310	390
	443	2,114
<b>Lease liabilities</b> (Note (v))		
Current portion	226	1,843
Non-current portion	112	338
	338	2,181

There was no additions to the right-of-use assets during the year ended 31 December 2025 (2024: HK\$400,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

#### (ii) Amounts recognised in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2025 HK\$'000	2024 HK\$'000
<b>Depreciation charge of right-of-use assets (Note (a))</b>		
Properties	1,591	3,333
Machinery and equipment	–	403
Motor vehicle	80	10
	1,671	3,746
<b>Interest expense (included in finance expenses)</b>	109	1,171
<b>Expense relating to short-term leases (Note (b))</b>		
– Premises (Note (c))	1,617	195
– Machinery and equipment	23,827	30,021
	25,444	30,216

During the year ended 31 December 2025, the Group did not recognise any gain or loss on early termination on lease (2024: gain on early termination on lease HK\$1,153,000).

The total cash outflow for leases during the year ended 31 December 2025 was approximately HK\$27,396,000 (2024: HK\$34,151,000).

Notes:

- (a) Depreciation charge of approximately HK\$1,432,000 (2024: HK\$3,507,000) and approximately HK\$239,000 (2024: HK\$239,000) have been charged to cost of services and administrative expenses respectively in the consolidated statement of profit or loss for the year ended 31 December 2025.
- (b) Expense relating to short-term leases of approximately HK\$24,969,000 (2024: HK\$30,098,000) and approximately HK\$475,000 (2024: HK\$118,000) have been charged to cost of services and administrative expenses respectively in the consolidated statement of profit or loss for the year ended 31 December 2025.
- (c) As at 31 December 2025, the outstanding lease commitments relating to the premises is approximately HK\$124,000 (2024: HK\$10,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 15 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

#### (iii) The Group's leasing activities and how these are accounted for

The Group leases various premises, machinery and equipment and motor vehicle. Rental contracts are typically made for fixed periods of 1 to 43 months for the year ended 31 December 2025 (2024: 1 to 43 months). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

#### (iv) Extension and termination options

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

#### (v) Maturity analysis of lease liabilities

Lease liabilities payable:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Within one year	226	1,843
Between one to two years	78	226
Between two to five years	34	112
	338	2,181
Less: Current portion	(226)	(1,843)
Non-current portion of lease liabilities	112	338

The incremental borrowing rates applied to lease liabilities ranged from 9.5% to 9.8% (2024: from 9.5% to 9.8%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 16 DEFERRED INCOME TAX

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

#### (i) Deferred tax assets

	2025 HK\$'000	2024 HK\$'000
The balance comprises temporary differences attributable to:		
Tax losses	6,092	8,951
Total deferred tax assets	6,092	8,951
Set-off of deferred tax liabilities pursuant to set-off provisions	(6,092)	(8,951)
Net deferred tax assets	–	–

Movements	Tax losses HK\$'000	Lease liabilities HK\$'000	Total HK\$'000
At 1 January 2024	7,974	2,891	10,865
Credited/(Charged) to the consolidated statement of profit or loss	977	(2,891)	(1,914)
At 31 December 2024 and 1 January 2025	8,951	–	8,951
Charged to the consolidated statement of profit or loss	(2,859)	–	(2,859)
At 31 December 2025	6,092	–	6,092

Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group did not recognise deferred income tax assets of approximately HK\$11,605,000 for the year ended 31 December 2025 (2024: HK\$11,383,000) in respect of tax losses amounting to approximately HK\$46,419,000 (2024: HK\$45,870,000). Unrecognised tax losses will expire at various dates up to and including 2030.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 16 DEFERRED INCOME TAX (Continued)

#### (ii) Deferred tax liabilities

	2025 HK\$'000	2024 HK\$'000
The balance comprises temporary differences attributable to:		
Accelerated tax depreciation	11,786	11,642
Total deferred tax liabilities	11,786	11,642
Set-off of deferred tax liabilities pursuant to set-off provisions	(6,092)	(8,951)
Net deferred tax liabilities	5,694	2,691

Movement	Accelerated tax depreciation HK\$'000	Right-of-use assets HK\$'000	Total HK\$'000
At 1 January 2024	10,382	2,891	13,273
Charged/(Credited) to the consolidated statement of profit or loss	1,260	(2,891)	(1,631)
At 31 December 2024 and 1 January 2025	11,642	–	11,642
Charged to the consolidated statement of profit or loss	144	–	144
At 31 December 2025	11,786	–	11,786

As at 31 December 2025, no deferred tax liabilities have been recognised in respect of the tax that would be payable on the distribution of the retained profits of the Group's foreign-invested enterprises in the PRC as the Company controls the dividend policy of these foreign-invested enterprises and it is probable that such differences will not be reversed in the foreseeable future (2024: Nil). As at 31 December 2025, deferred income tax liabilities of approximately HK\$2,747,000 (2024: HK\$3,417,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of the PRC subsidiaries. Such amounts are permanently reinvested and the unremitted earnings are approximately HK\$54,937,000 at 31 December 2025 (2024: HK\$68,332,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
<b>Financial assets as per consolidated statements of financial position</b>		
Financial assets at amortised cost:		
– Trade and bills receivables	20,427	17,765
– Deposits and other receivables	1,317	1,095
– Pledged time deposits	31,000	36,000
– Cash and cash equivalents	6,314	12,464
<b>Total</b>	<b>59,058</b>	<b>67,324</b>

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
<b>Financial liabilities as per consolidated statements of financial position</b>		
Financial liabilities at amortised cost:		
– Trade and bills payables	46,278	44,789
– Accruals and other payables	9,520	8,012
– Borrowings	58,909	63,726
– Lease liabilities	338	2,181
<b>Total</b>	<b>115,045</b>	<b>118,708</b>

At the end of each of the reporting period, the Group has no financial instruments measured at fair value subsequent to initial recognition on a recurring basis. During the years ended 31 December 2025 and 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 18 TRADE AND OTHER RECEIVABLES

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Trade receivables	21,416	17,619
Bills receivables	5	879
Loss allowance	(994)	(733)
Trade and bills receivables, net of provision	20,427	17,765
Rental deposits	992	671
Other deposits	177	176
Prepayments	12,038	8,495
Other receivables	148	248
Total prepayments, deposits and other receivables	13,355	9,590
Less: Non-current portion	(2,344)	(704)
Current portion	11,011	8,886
Total trade and other receivables	33,782	27,355

The carrying amounts of trade and bills receivables, deposits and other receivables approximate their fair values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 18 TRADE AND OTHER RECEIVABLES (Continued)

The carrying amounts of the trade and other receivables are denominated in the following currencies:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
RMB	21,406	16,591
HK\$	12,376	10,754
MOP	–	10
	33,782	27,355

#### Trade receivables

The Group's trade receivables are with credit term of 90 days. All bills received by the Group are with a maturity period of less than one year. An aged analysis of trade receivables, which is net of allowance for credit losses (excluding bills held by the Group for future settlement) and presented based on the invoice date at the end of the reporting period, is as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Up to 3 months	8,749	15,851
3 to 6 months	8,511	997
Over 6 months	3,162	38
	20,422	16,886

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 18 TRADE AND OTHER RECEIVABLES (Continued)

#### Trade receivables (Continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision for trade receivables. To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and the days past due. See Note 3.1(a) for further information about expected credit loss provision.

The maximum exposure to credit risk at the reporting date is the carrying amount of receivables mentioned above. The Group does not hold any collateral as security. As at 31 December 2025, trade receivables of approximately HK\$994,000 (2024: HK\$733,000) are impaired and have been provided for. See Note 3.1(a) for information of trade receivables and the Group's exposure to credit risk.

Movement on the provision for impairment of trade receivables is as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
At beginning of the year	733	1,437
Provision for/(Reversal of) impairment losses for the year	223	(672)
Currency translation difference	38	(32)
At end of the year	994	733

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 19 CASH AND BANK BALANCES AND PLEDGED TIME DEPOSITS

#### (a) Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the consolidated statement of cash flows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Cash at bank and on hand	6,314	12,464

The cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
HK\$	1,728	2,594
RMB	4,206	9,051
USD	379	780
MOP	–	39
Others	1	–
	6,314	12,464

The Group's bank balances are deposits with creditworthy banks with no recent history of default. The weighted effective interest rate on bank balances was 0.10% (2024: 0.31%).

The Group's certain bank balances and deposits of approximately HK\$3,441,000 (2024: HK\$7,401,000) denominated in RMB are deposited in the PRC. The conversion of these RMB denominated balances into foreign currencies and the remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the government of the PRC.

#### (b) Pledged time deposits

As at 31 December 2025, current pledged bank deposit of approximately HK\$31,000,000 (2024: HK\$36,000,000) were held at bank as security for short term bank borrowings (Note 23(a)). The weighted effective interest rate on these deposits was 3.62% (2024: 6.37%). Pledged bank deposits were denominated in HK\$ and USD and deposited with creditworthy banks with no recent history of default.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 20 SHARE CAPITAL AND SHARE PREMIUM

Authorised ordinary shares:

	Number of shares	Nominal value of ordinary shares HK\$'000
At 31 December 2024, 1 January 2025 and 31 December 2025	2,000,000,000	20,000

Ordinary shares, issued and fully paid:

	Number of Shares	Nominal value of ordinary shares HK\$'000	Share premium HK\$'000
At 31 December 2024, 1 January 2025 and 31 December 2025	400,000,000	4,000	41,901

### 21 OTHER RESERVES

The Group

	Exchange reserve HK\$'000	Other reserves (Note) HK\$'000	Total HK\$'000
As at 1 January 2024	286	5,314	5,600
Other comprehensive expense			
Currency translation differences	(1,747)	–	(1,747)
Total comprehensive expense	(1,747)	–	(1,747)
As at 31 December 2024 and 1 January 2025	(1,461)	5,314	3,853
Other comprehensive expense			
Currency translation differences	(1,652)	–	(1,652)
Total comprehensive expense	(1,652)	–	(1,652)
As at 31 December 2025	(3,113)	5,314	2,201

Note: Other reserves of the Group represented the difference between share capital of the Company and combined capital of the group subsidiaries comprising the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 22 TRADE, BILLS AND OTHER PAYABLES

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Trade and bills payables	46,278	44,789
Accrual expenses	9,100	7,738
Other payables	420	274
Contract liabilities	929	168
Accruals and other payables	10,449	8,180
Total	56,727	52,969

Trade and bills payables are usually paid within 90 days of recognition.

The carrying amounts of trade, bills and other payables approximate their fair values and are denominated in the following currencies:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
HK\$	40,623	37,339
RMB	14,798	14,220
USD	1,172	1,291
MOP	134	119
	56,727	52,969

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 22 TRADE, BILLS AND OTHER PAYABLES (Continued)

As at 31 December 2025 and 2024, the Group's ageing analysis of the trade and bills payables based on invoice date is as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Up to 3 months	33,273	35,968
3 to 6 months	3,070	2,415
Over 6 months	9,935	6,406
	46,278	44,789

### 23 BORROWINGS

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
<b>Current</b>		
Bank borrowings (Note (a))	41,259	46,076
<b>Non-current</b>		
Loan from a third party (Note (b))	15,000	15,000
Loan from a director (Note (c))	2,650	2,650
	58,909	63,726

#### (a) Bank borrowings

At 31 December 2025, bank borrowings of approximately HK\$30,132,000 and approximately HK\$11,127,000 which were denominated in HK\$ and RMB respectively (2024: HK\$35,432,000 in HK\$ and HK\$10,644,000 in RMB). They were secured by pledged time deposits of approximately HK\$31,000,000 (2024: HK\$36,000,000) (Note 19(b)), the Company's corporate guarantee and personal guarantee provided by Mr. MP Wong. These bank borrowings carried floating rate at HIBOR and the China Foreign Exchange Trade System plus or less a margin per annum. The weighted effective interest rate on these bank borrowings were 5.1% (2024: 6.5%). Certain of the Group's bank borrowings with carrying amounts of HK\$6,824,000 (2024: HK\$8,714,000) is attached with financial covenant which require that at any time, the Group's consolidated tangible net worth is not less than certain required levels. During the year, the covenant has been complied with by the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 23 BORROWINGS (Continued)

#### (a) Bank borrowings (Continued)

The Group's bank borrowings were repayable as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Within one year	41,259	46,076

The Group's bank borrowings were repayable, without taking into account of the repayable on demand clause of certain bank borrowings, as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Within one year	36,278	42,233
Between one to two years	1,613	1,046
Between two to five years	2,386	1,333
Over five years	982	1,464
	41,259	46,076

The Group has the following undrawn bank borrowing facilities:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Floating rate:		
– Expiring within one year	2,633	3,066

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 23 BORROWINGS (Continued)

#### (b) Loan from a third party

On 27 December 2018, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with a third party with a principal of HK\$38,000,000, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 27 December 2023. As at 23 December 2022, the subsidiary entered into a supplemental loan agreement with the third party to extend the maturity date from 27 December 2023 to 27 December 2028.

#### (c) Loan from a director

On 25 December 2023, AV Promotions Limited, a wholly owned subsidiary of the Company entered into a loan agreement with Mr. MP Wong, with a principal of HK\$2,650,000, which was unsecured, bears fixed interest rate of 5% per annum and was fully repayable on 31 December 2025. As at 23 December 2024, the subsidiary entered into a supplemental loan agreement with the director to extend the maturity date from 31 December 2025 to 31 December 2028.

### 24 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS

The Group recognised the following assets and liabilities related to contracts with customers:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
Contract assets relating to provision of services	13,993	16,507
Loss allowance	(156)	(103)
Total contract assets	13,837	16,404
Contract liabilities relating to provision of services	929	168

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 24 ASSETS AND LIABILITIES RELATED TO CONTRACTS WITH CUSTOMERS (Continued)

Decrease in contract assets was mainly due to the decrease in number of events undertaken at the year end. The services have been partially provided but not been completed as at end of the reporting period and which represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional.

Contract liabilities included in accruals and other payables amounted to approximately HK\$929,000 (2024: HK\$168,000).

Revenue recognised during year ended 31 December 2025 that was included in the contract liabilities balance at the beginning of the year was approximately HK\$168,000 (2024: HK\$884,000).

Movement on the provision for impairment of contract assets is as follows:

	As at 31 December	
	2025 HK\$'000	2024 HK\$'000
At beginning of the year	103	350
Provision for/(Reversal of) impairment losses for the year	47	(240)
Currency translation differences	6	(7)
At end of the year	156	103

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 25 CASH FLOW INFORMATION

#### Net debt reconciliation

This section sets out the movement of liabilities from financing activities for the years ended 31 December 2025 and 2024.

	Liabilities from financing activities					Total HK\$'000
	Lease liabilities HK\$'000	Interest payable HK\$'000	Bank borrowings HK\$'000	Loan from a third party HK\$'000	Loan from a director HK\$'000	
As at 1 January 2024	15,607	1,641	76,096	15,000	2,650	110,994
Non cash-interest cost	-	7,839	-	-	-	7,839
Cash flows	(2,764)	(8,063)	(29,797)	-	-	(40,624)
Acquisition – lease	255	-	-	-	-	255
Lease termination	(10,758)	-	-	-	-	(10,758)
Currency translation differences	(159)	-	(223)	-	-	(382)
Net debt as at 31 December 2024 and 1 January 2025	2,181	1,417	46,076	15,000	2,650	67,324
Non cash-interest cost	-	4,506	-	-	-	4,506
Cash flows	(1,843)	(4,530)	(5,300)	-	-	(11,673)
Currency translation differences	-	-	483	-	-	483
Net debt as at 31 December 2025	338	1,393	41,259	15,000	2,650	60,640

### 26 DIVIDENDS

No dividend has been paid or declared by the Company in respect of the years ended 31 December 2025 and 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 27 COMMITMENTS

The Group had no capital commitment as at 31 December 2025 and 2024.

### 28 CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 and 2024.

### 29 RELATED PARTY TRANSACTIONS

- (a) In addition to those disclosed elsewhere in the consolidated financial statements, the directors of the Company are of the view that the following parties/companies were related parties that had transactions or balances with the Group during the years ended 31 December 2025 and 2024:

Name of the related party	Relationship with the Group
Mr. MP Wong	Executive director and the ultimate controlling shareholder of the Company

(b) **Key management compensation**

Key management include executive directors and management of the Group. The compensation paid or payable to key management for employee services is shown below:

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Salaries and other short-term employee benefits	5,927	5,428
Pension costs – defined contribution plans	54	54
	5,981	5,482

(c) **Transactions with related parties**

	2025	2024
	HK\$'000	HK\$'000
Mr. MP Wong		
Interest expense	133	133

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

	Notes	As at 31 December 2025 HK\$'000	As at 31 December 2024 HK\$'000 (Restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Interests in subsidiaries	(b)	43,849	45,687
		43,849	45,687
<b>Current assets</b>			
Prepayment		104	104
Cash and cash equivalents		27	27
		131	131
<b>Total assets</b>		<b>43,980</b>	<b>45,818</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		4,000	4,000
Other reserve	(a)	72,744	72,744
Accumulated losses	(a)	(32,895)	(31,940)
<b>Total equity</b>		<b>43,849</b>	<b>44,804</b>
<b>Current liabilities</b>			
Accruals and other payables		131	134
Amounts due to subsidiaries		–	880
<b>Total liabilities</b>		<b>131</b>	<b>1,014</b>
<b>Total equity and liabilities</b>		<b>43,980</b>	<b>45,818</b>

The statement of financial position of the Company was approved by the Board of Directors on 31 March 2026 and was signed on its behalf by:

**Wong Man Por**  
*Chairman and Executive Director*

**Wong Chi Bor**  
*Executive Director*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 30 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (a) Reserve movement of the Company

	Accumulated losses HK\$'000	Other reserve HK\$'000
As at 1 January 2024	(31,239)	72,744
Loss for the year	(701)	–
As at 31 December 2024 and 1 January 2025	(31,940)	72,744
Loss for the year	(955)	–
As at 31 December 2025	(32,895)	72,744

#### (b) Interests in subsidiaries

Interests in subsidiaries comprise the Company's equity investments in subsidiaries and amount due from a subsidiary which form part of the Company's net investment in subsidiaries.

As at 31 December 2025, the amount due from a subsidiary of approximately HK\$13,006,000 (2024: HK\$14,844,000) is unsecured, interest-free and has no fixed terms of repayment. In the opinion of the directors of the Company, the balance represents long-term funding support provided to the subsidiary and forms an extension of the Company's net investment in the subsidiary. Accordingly, this balance has been classified as a non-current asset to reflect its long-term nature.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 31 BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' emoluments

The emoluments of the directors of the Company paid or payable by the Group is set out below:

For the year ended 31 December 2025

Name	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking						Total HK\$'000
	Fee HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Allowances and benefits in kind HK\$'000	Employer's contribution to a retirement benefit scheme contributions HK\$'000	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK\$'000	
<b>Executive directors</b>							
Mr. MP Wong (Note (a))	-	1,080	-	1,512	-	-	2,592
Mr. CB Wong (Note (b))	-	909	76	-	18	-	1,003
	-	1,989	76	1,512	18	-	3,595
<b>Independent non-executive directors</b>							
Mr. Chan Wing Kee	120	-	-	-	-	-	120
Dr. Leung Wai Cheung	120	-	-	-	-	-	120
Ms. Soon Yuk Tai (Note (e))	120	-	-	-	-	-	120
	360	-	-	-	-	-	360

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

## 31 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

### (a) Directors' emoluments (Continued)

For the year ended 31 December 2024

Name	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries undertaking						Total HK\$'000
	Fee HK\$'000	Salary HK\$'000	Discretionary bonuses HK\$'000	Allowances and benefits in kind HK\$'000	Employer's contribution to a retirement benefit scheme contributions HK\$'000	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking HK\$'000	
<b>Executive directors</b>							
Mr. MP Wong (Note (a))	—	1,200	—	1,200	—	—	2,400
Mr. CB Wong (Note (b))	—	900	—	—	18	—	918
Mr. HP Wong (Note (c))	—	—	—	27	—	—	27
	—	2,100	—	1,227	18	—	3,345
<b>Independent non-executive directors</b>							
Mr. Cheung Wai Lun Jacky (Note (d))	120	—	—	—	—	—	120
Mr. Chan Wing Kee	120	—	—	—	—	—	120
Dr. Leung Wai Cheung	120	—	—	—	—	—	120
Ms. Soon Yuk Tai (Note (e))	—	—	—	—	—	—	—
	360	—	—	—	—	—	360

Notes:

- (a) Mr. MP Wong is also the director of certain subsidiaries of the Company and the Group paid emoluments to him in his capacity as the directors to those subsidiaries of the Company.
- (b) Mr. CB Wong is also the director of certain subsidiaries of the Company and the Group paid emoluments to him in his capacity as the directors to those subsidiaries of the Company.
- (c) Mr. HP Wong resigned as an executive director of the Company with effect from 1 March 2024.
- (d) Mr. Cheung Wai Lun Jacky resigned as an independent non-executive director of the Company with effect from 31 December 2024.
- (e) Ms. Soon Yuk Tai was appointed as an independent non-executive director of the Company with effect from 31 December 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### 31 BENEFITS AND INTERESTS OF DIRECTORS (Continued)

#### (b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors during the year ended 31 December 2025 (2024: Nil) by a defined benefit pension plan operated by the Group in respect of their other services in connection with the management of the affairs of the company or its subsidiary undertaking.

#### (c) Directors' termination benefits

No payment was made to any directors as compensation for the termination of the appointment during the year ended 31 December 2025 (2024: Nil).

#### (d) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of any directors for making available the services of them as a director of the Company during the year ended 31 December 2025 (2024: Nil).

#### (e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

In addition to those disclosed elsewhere in the consolidated financial statements, there are no loans, quasi loans and other dealing in favour of directors, controlling bodies corporate by and connected entities with such directors during the year ended 31 December 2025 (2024: Nil).

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

In addition to those disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2025 (2024: Nil).

#### (g) Director's inducement benefits

No remuneration was paid to any directors as an inducement to join or upon joining the Group during the year ended 31 December 2025 (2024: Nil).

#### (h) Arrangement to waive directors' remuneration

There was no arrangement in which any director has waived any emolument during the year ended 31 December 2025 (2024: Nil).

## FINANCIAL SUMMARY

### RESULTS

	For the year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue	107,942	125,887	139,243	94,374	166,593
Cost of services	(83,092)	(95,640)	(117,468)	(111,998)	(140,668)
Gross profit/(loss)	24,850	30,247	21,775	(17,624)	25,925
(Loss)/Profit for the year	(5,571)	1,758	(12,372)	(53,529)	(9,723)

### ASSETS AND LIABILITIES

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Non-current assets	93,257	92,780	102,196	109,513	120,925
Current assets	82,589	91,519	138,687	136,644	182,533
Non-current liabilities	23,456	20,679	32,896	20,824	33,374
Current liabilities	101,252	105,259	149,637	154,070	140,955
Net current (liabilities)/assets	(18,663)	(13,740)	(10,950)	(17,426)	41,578
Net assets	51,138	58,361	58,350	71,263	129,129

The summary above does not form part of the audited consolidated financial statements.