



**QINGHUA**  
**擎華控股**

# 2025

## ANNUAL REPORT

**Qing Hua Holding Group Company Limited**  
**擎華控股集團有限公司**

Incorporated in the Cayman Islands and continued in Bermuda with limited liability

STOCK CODE **8082**

**CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
(THE "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 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 the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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

This report, for which the directors of Qing Hua Holding Group Company Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Qing Hua Holding Group Company Limited. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this report misleading.

## Contents

2	Corporate Information
3	Statement from the Board of Directors
4	Management Discussion and Analysis
6	Corporate Governance Report
18	Environmental, Social and Governance Report
31	Biographical Details of Directors and Senior Management
33	Directors' Report
44	Independent Auditor's Report
48	Consolidated Statement of Profit or Loss and Other Comprehensive Income
49	Consolidated Statement of Financial Position
51	Consolidated Statement of Changes in Equity
52	Consolidated Statement of Cash Flows
54	Notes to Consolidated Financial Statements
140	Five Years Financial Highlights

# Corporate Information

## EXECUTIVE DIRECTORS

Mr. Xiong Guorui (*appointed on 26 January 2026*)  
Mr. Dong Choi Chi, Alex (*Chairman, resigned on 26 January 2026*)  
Mr. Chong Cho Lam (*Chief Executive Officer, resigned on 31 July 2025*)

## NON-EXECUTIVE DIRECTORS

Mr. Ma Xinying  
Mr. Ye Chao (*appointed on 3 December 2025*)  
Ms. Yuan Xiaomei

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Ip Wai Hung  
Mr. Chan Wai Man  
Mr. Siu Hi Lam, Alick

## COMPANY SECRETARY

Mr. Jip Ki Chi

## AUDIT COMMITTEE

Mr. Chan Wai Man (*Chairman*)  
Dr. Ip Wai Hung  
Mr. Siu Hi Lam, Alick

## NOMINATION COMMITTEE

Dr. Ip Wai Hung (*Chairman*)  
Mr. Chan Wai Man  
Mr. Siu Hi Lam, Alick  
Ms. Yuan Xiaomei (*appointed on 30 June 2025*)

## REMUNERATION COMMITTEE

Mr. Siu Hi Lam, Alick (*Chairman*)  
Mr. Chan Wai Man  
Dr. Ip Wai Hung

## AUTHORISED REPRESENTATIVES

Mr. Dong Choi Chi, Alex (*resigned on 26 January 2026*)  
Mr. Jip Ki Chi  
Mr. Xiong Guorui (*appointed on 26 January 2026*)

## AUDITOR

ZHONGHUI ANDA CPA Limited  
Certified Public Accountants

## SOLICITOR

CLKW Lawyers LLP (in association with Michael Li & Co.)

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM11 Bermuda

## HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

17th Floor, Fun Tower  
35 Hung To Road  
Kwun Tong, Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR

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

## HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited  
17th Floor, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## PRINCIPAL BANKERS

Bank of Communication (Hong Kong) Limited

## STOCK CODE

8082

## CONTACT INFORMATION

Tel: +852 2977 8082  
Fax: +852 3150 8092  
Email: [ir@8082.com.hk](mailto:ir@8082.com.hk)  
Website: [www.8082.com.hk](http://www.8082.com.hk)

# Statement from the Board of Directors

On behalf of the board of directors of Qing Hua Holding Group Company Limited, I am pleased to present the Group's annual report for the financial year ended 31 December 2025. The Group's revenue decreased by approximately 17.09% to HK\$123.46 million (2024: HK\$148.90 million), although revenue decreased due to comparatively smaller scale for certain concerts, the Group still organized 17 concerts (2024: 12 concerts) and invested in 32 concerts (2024: 49 concerts). The gross profit percentage is approximately 3.69% (2024: approximately 45.53%). The Group recorded a loss for the year of approximately HK\$51.01 million (2024: loss for the year of approximately HK\$27.80 million). Loss attributable to owners of the Company was approximately HK\$49.21 million (2024: approximately HK\$26.14 million).

## OUTLOOK

The Group engages in the media and entertainment businesses, which mainly include the operation of concerts, exhibitions and live entertainment events. During the year, the global business environment remained highly complex and volatile, with multiple challenges. factors such as the impact of US tariff policies and escalating geopolitical risks created an intensified market landscape and a cautious consumer sentiment which highly affected our performance on concert box office. Nevertheless, the Group continued to participate in a number of cross-border events, including the Taeyeon Concert The Tense in Macau and Hong Kong, Ian Chan "Tears" In My Sight Solo Concert Tour 2025 and Fish Leong When We Talk About Love, etc.

In light of the upcoming market and financial challenges, the Group will take appropriate measures, including more cautiously selection of investment projects, internal optimization and adjustment, as well as effective cost-reduction and efficiency-enhancement to maintain the Group financial stability and cash flow. Further, the Group strives to further develop its business in order to improve the Group's business operations and financial position by proactively seeking potential investment opportunities that would diversify the Group's existing business portfolio, broaden its source of income and enhance value to the shareholders.

## APPRECIATION

Lastly, I would like to thank our shareholders, customers, business associates and other relevant authorities for their support. My appreciation also goes to the management team and all the employees for their dedication, support and loyalty to the Group in this difficult time.

### **Chan Wai Man**

*Independent non-executive Director*

31 March 2026

# Management Discussion and Analysis

## FINANCIAL REVIEW

### Revenue

For the year ended 31 December 2025, the total revenue of the Group arising from media and entertainment businesses was approximately HK\$123,457,000 (2024: approximately HK\$148,899,000, which included revenue arising from (i) media and entertainment businesses; and (ii) cremation and funeral services businesses). This represented a decrease of 17.09% compared with the corresponding period last year. Gross profit decreased from approximately of HK\$67,796,000 to HK\$4,558,000. The decrease in revenue and gross profit was attributable to (i) unexpected performance of concerts organised or invested by the Group during the current year; and (ii) the revenue and gross profit contributed by the cremation and funeral services businesses in corresponding period of last year, but nil for current year upon completion of disposal.

### Other income and gains

Other income and gains decreased from approximately of HK\$1,656,000 to approximately of HK\$1,233,000.

### Selling, marketing and distribution expenses

Selling, marketing and distribution expenses for the year ended 31 December 2025 were approximately of HK\$1,772,000, which was 68.86% lower than the amount of corresponding period of last year of approximately of HK\$5,690,000. Such expenses as a percentage of revenue for the year was approximately 1.44% (2024: 3.82%). The decrease in selling, marketing and distribution expenses was in line with the decrease in revenue for the current year.

### General and administrative expenses

General and administrative expenses for the year ended 31 December 2025 amounted to approximately of HK\$48,138,000 which was 29.75% lower than with the amount for the corresponding period of last year of approximately HK\$68,520,000. The substantial decrease was mainly attributable to (i) lower employee benefit expenses during the current year as the cremation and funeral services businesses was disposed in August 2024; and (ii) the loss on disposal of subsidiaries recorded HK\$370,000 for the current year, while it amounted to approximately of HK\$9,595,000 in corresponding period of last year.

### Other expenses, net

Other expenses mainly consist of co-investors' share of net income/net loss from entertainment events organised by the Group of approximately HK\$2,854,000 for the current year.

## OPERATION REVIEW

### Media and entertainment businesses

During the year ended 31 December 2025, the total revenue from media and entertainment businesses was approximately HK\$123,457,000, which was 10.99% lower than that of the corresponding period of last year of approximately HK\$138,695,000. During the year, revenues were mainly derived from organisation of concerts and other entertainment events, sponsorship income, and artiste management and performance, while offset by negative returns on investments in concerts, other entertainment events, film and TV drama production projects. The Group organised 17 concerts (2024: 12 concerts); invested 32 concerts (2024: 49 concerts); invested 1 drama (2024: 1 drama) during the year. While the number of concerts organised by the Group increased during the current year, it recorded a decrease in revenue. It was mainly due to poor market performance of concerts invested or organised by the Group.

### Cremation and funeral services businesses

During the year ended 31 December 2024, cremation, funeral and related business operations recorded revenue of approximately HK\$10,204,000. The cremation and funeral services businesses was sold to an independent third party on 12 July 2024. The disposal was completed on 13 August 2024. Upon completion of disposal, the financial performance of the cremation and funeral services businesses will no longer be consolidated into the consolidated financial statements of the Group. Details of the disposal are set out in the announcements of the Company dated 12 July 2024 and 13 August 2024.

## Management Discussion and Analysis

### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had cash and cash equivalents of approximately HK\$40,037,000 (31 December 2024: HK\$43,273,000) and the total assets of the Group were approximately HK\$83,749,000 (31 December 2024: HK\$123,549,000). As at 31 December 2025, the net current liabilities of the Group were approximately HK\$38,909,000 (31 December 2024: the net current assets of HK\$9,451,000) and the Group's current ratio, which represents current assets over its current liabilities, was approximately 0.68 times (31 December 2024: 1.09 times). The gearing ratio of the Group as at 31 December 2025 is not presented (31 December 2024: 598.57%) and it is calculated by total liabilities over equity attributable to owners of the Company.

As at 31 December 2025, the Group borrowed loan with outstanding principal amount of HK\$35,000,000 at interest rate of 3.5% per annum from an independent third party of the Company. Another loan with outstanding principal amount of HK\$30,000,000 at interest rate of 12% per annum from an independent third party of the Company.

### INVESTMENT POSITION AND PLANNING

The Group will continuously undertake researches and identify potential media and entertainment business and investment opportunities, and related business investment opportunities to enhance its business portfolio.

### SIGNIFICANT INVESTMENTS HELD AND MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in the consolidated financial statements, there were no other significant investments held by the Group during the year. Save as disclosed in the consolidated financial statements, there were no other material acquisitions or disposals of subsidiaries of the Group during the year.

### CURRENCY RISK EXPOSURE

The Group has certain operations in Taiwan, whose net assets might be exposed to foreign currency exchange risk. The Group currently does not have a foreign currency policy to hedge its currency exposure arising from the net assets of the Group's foreign operations. Otherwise, the Group has no material exposure to foreign currency risk as the majority of the assets and liabilities of the Group's operating units are denominated in their respective functional currency of either Hong Kong Dollars, or New Taiwan Dollars.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, the Group had 47 (31 December 2024: 50) employees and including Directors. During the year ended 31 December 2025, short term employee benefits, which represented a key component of the total staff costs for the year ended 31 December 2025, included salaries, wages, bonuses and allowances, Directors' remuneration and share-based payments. The Group's employee remuneration packages are mainly determined on the basis of individual performance and experience and also having industry expertise, which include basic wages and bonuses. The Group also provides provident fund schemes and medical insurance scheme for its employees. The Company also grants share awards to eligible persons under the Company's share award scheme and grants share options to the Directors and eligible employees.

### CHARGES ON GROUP'S ASSETS AND CONTINGENT LIABILITIES

There were no charges on the Group's assets and the Group did not have any significant contingent liabilities as at 31 December 2025.

# Corporate Governance Report

## CORPORATE GOVERNANCE PRACTICES

The Company acknowledges the need and importance of corporate governance as one of the key elements in creating shareholders' value. The Company is committed to achieving a high standard of corporate governance that can properly protect and promote the interests of all shareholders and to enhance corporate value and accountability of the Company.

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the GEM Listing Rules during year ended 31 December 2025, save for the deviation disclosed in the section headed "Chairman and Chief Executive Officer" below.

## DIRECTORS' SECURITIES TRANSACTIONS

### Securities transactions by Directors

The Company has established written guidelines for the required standard of dealings in securities by Directors of the Company on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). Having made specific enquiries of all Directors, the Directors confirmed that they have fully complied with the requirements under the Required Standard of Dealings and there was no other event of non-compliance during the year ended 31 December 2025.

## THE BOARD

As at the date of this report, the board of directors of the Company (the "Board") comprises an executive Director, namely Mr. Xiong Guorui, three non-executive Directors, namely Mr. Ma Xinying, Mr. Ye Chao and Ms. Yuan Xiaomei, and three independent non-executive Directors, namely Mr. Chan Wai Man, Dr. Ip Wai Hung and Mr. Siu Hi Lam, Alick. Each of the Directors has the relevant experience, competence and skills appropriate to the requirements of the business of the Company. The names of independent non-executive Directors are expressly identified and disclosed in all corporate communications of the Company. Independent non-executive Directors are invited to serve on the Audit Committee, Nomination Committee, and Remuneration Committee of the Company. None of the members of the Board is related to one another.

Ms. Yuan Xiaomei was appointed as a non-executive Director on 8 October 2024. Ms. Yuan has obtained the legal advice as referred to in Rule 5.02D of the GEM Listing Rules and has confirmed that she understood her obligations as a director of the Company.

Mr. Chan Wai Man, one of the independent non-executive Directors possesses the appropriate professional qualifications, or accounting or related financial management expertise as required under Rule 5.05(2) of the GEM Listing Rules. All independent non-executive Directors bring substantial experience to the Board and help to ensure that the Board maintains high standards in financial and other mandatory reporting as well as to provide adequate checks for safeguarding the interests of the Shareholders and the Company as a whole.

The Board at all times met the requirements with Rules 5.05 and 5.05A of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors, accounting for at least one-third of the Board, with at least one independent non-executive director possessing the appropriate professional qualifications or accounting or related financial management expertise. The management of the Company is of the view that the membership of the Board represents suitable background and industry expertise to oversee and operate the Company efficiently and safeguard the interests of the various stakeholders of the Company. The Company has received written confirmation from each independent non-executive Director of his independence pursuant to the requirement of Rule 5.09 of the GEM Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the GEM Listing Rules.

The composition of the Board reflects the necessary balanced skills and experience for effective leadership. The profiles of each Director are set out in the "Biographical Details of Directors and Senior Management" section in this annual report.

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the code provision C.2.1 of the CG Code, the roles of the Chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

During the year ended 31 December 2025, the roles of chairman and CEO were performed by separate individuals. Mr. Dong Choi Chi, Alex, served as the Chairman of the Board and Mr. Chong Cho Lam served as the CEO until his resignation with effect from 31 July 2025. Following Mr. Chong's resignation, the duties and responsibilities of the CEO have been shared collectively by the remaining Board members and senior management.

Subsequent to the end of the reporting period, Mr. Dong Choi Chi, Alex resigned as the Chairman with effect from 26 January 2026.

As at the date of this report, the Company does not have any officer with the title of "Chairman" or "CEO". The Board considers that the existing board structure is sufficient to ensure the Group's effective management and business operations, as the relevant duties and responsibilities are shared collectively by the executive Director and senior management. The Board will continue to review the current structure of the Group from time to time and shall make necessary appointments to fill the vacancies as and when suitable candidates are identified, in order to comply with the requirements of the CG Code.

## Corporate Governance Report

In order to discharge the duties under the code provisions A.2.1, all Directors are entitled to seek independent professional advice, if necessary, at the Company's expense and Directors and Officers Liability Insurance cover was arranged and subject to annual review. The overall management of the Company's business is vested in the Board. The Board is responsible for overseeing all major matters of the Company which include formulating and approving the Company's operational strategies, management policies, internal control and risk management systems, reviewing the Company's policies and practices on corporate governance, setting the objectives and targets with a view to enhance the Shareholders' value for the management, monitoring performance of the management and providing guidance to the management. The Directors have to make decisions objectively in the interests of the Company. The Board is accountable to the shareholders, in a responsible and effective manner leading the Company. The day-to-day management, administration and operation of the Company are delegated to the senior management of the Company which includes evaluating businesses and operational performance, ensuring effective implementation of the Board's decisions, ensuring adequate funding and monitoring performance of the management of the Company. The senior management of the Company is being closely monitored by the Board and is accountable for the performance of the Company as measured against the business targets and management directions set by the Board.

### BOARD COMMITTEE

The Board delegates its power and authorities from time to time to the Board Committees in order to ensure the operational efficiency and specific issues are being handled by relevant expert. During the year the Board has three Board Committees, namely, Audit Committee, Remuneration Committee and Nomination Committee with respective terms of reference which clearly defined its authorities and duties. The terms of reference of Audit Committee, Remuneration Committee and Nomination Committee are available on the website of each of the Stock Exchange and the Company.

#### Audit Committee

We have established an Audit Committee in October 2001 in compliance with Rule 5.28 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code.

#### Nomination Committee

We have established a Nomination Committee in October 2001 with written terms of reference in compliance with paragraph B.3.1 of the CG Code.

#### Remuneration Committee

We have established a Remuneration Committee in October 2001 in compliance with Rule 5.34 of the GEM Listing Rules and with written terms of reference in compliance with the CG Code.

The Chairman of the Board Committees reports regularly to the Board of their work, findings and recommendations. All Board Committees are provided with accurate and sufficient information in timely manner so as to enable the Board Committees to make informed decisions for the benefit of the Company and sufficient resources to discharge their duties and may have access to external professional advice, if necessary, at the Company's expense.

## Corporate Governance Report

## AUDIT COMMITTEE

Members	Three independent non-executive Directors, namely Mr. Chan Wai Man (committee Chairman), Mr. Siu Hi Lam, Alick and Dr. Ip Wai Hung
Major responsibilities	<ul style="list-style-type: none"> <li>• reviewing and assessing the effectiveness of the Group's risk management framework and internal control systems;</li> <li>• monitoring the effectiveness of the risk management framework to identify and deal with risks faced by the Company including operational, regulatory and financial risks etc.;</li> <li>• reviewing the accounting policies and supervising the Company's financial reporting process;</li> <li>• reviewing and monitoring the integrity of consolidated financial statements and the annual report and interim report;</li> <li>• monitoring the effectiveness of financial controls, internal control and risk management systems;</li> <li>• considering and recommending the appointment, re-appointment and removal of external auditor of the Company; and</li> <li>• acting as the key representative body responsible to oversee the relationship between the Company and the external auditor, include the relationships involving the provision of non-audit services.</li> </ul>
Major work performed during the year 2025	<ul style="list-style-type: none"> <li>• reviewing and assessing the effectiveness of the Group's risk management system;</li> <li>• reviewing and evaluating the major investment projects;</li> <li>• ensuring the adequacy of resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting functions;</li> <li>• reviewing and making recommendations for the Group's annual and interim financial statements and the related results announcements;</li> <li>• reviewing the findings and recommendations of external consultant on internal control review report;</li> <li>• reviewing the report of external auditor;</li> <li>• reviewing external audit planning for the year ended 31 December 2025;</li> <li>• discussing the audit findings with external auditor and the related management responses;</li> <li>• making recommendations to the Board, subject to the shareholders' approval at the 2025 annual general meeting, the appointment of external auditor of the Company;</li> <li>• reviewing of the development in accounting standards and its effects on the Group, and financial reporting matters; and</li> <li>• reviewing the Company's compliance with CG Code and disclosure in the Corporate Governance Report.</li> </ul>

## Corporate Governance Report

## NOMINATION COMMITTEE

<b>Members</b>	<b>Three independent non-executive Directors and one non-executive Director, namely Dr. Ip Wai Hung (committee Chairman), Mr. Chan Wai Man, Mr. Siu Hi Lam, Alick and Ms. Yuan Xiaomei</b>
Major responsibilities	<ul style="list-style-type: none"> <li>• reviewing the structure, size and composition of the Board;</li> <li>• monitoring and reviewing the implementation of the board diversity policy;</li> <li>• formulating policies and making recommendations to the Board on nominations, appointment of Directors and Board succession; and</li> <li>• assessing the independence of the independent non-executive Directors.</li> </ul>
Major work performed during the year 2025	<ul style="list-style-type: none"> <li>• conducting a review of the Board diversity, assessing the independence of the independent non-executive Directors and the contributions of the Board members and recommending the submission of the proposal on Directors' re-election at the forthcoming 2026 annual general meeting;</li> <li>• discussion of appointment of non-executive directors; and</li> <li>• reviewing the nomination policy.</li> </ul>

## REMUNERATION COMMITTEE

<b>Members</b>	<b>Three independent non-executive Directors, namely Mr. Siu Hi Lam, Alick (committee Chairman), Mr. Chan Wai Man and Dr. Ip Wai Hung</b>
Major responsibilities	<ul style="list-style-type: none"> <li>• making recommendation to the Board on the Company's policies and structure for the remuneration of the Directors and senior management;</li> <li>• making recommendations to the Board on the remuneration packages of all executive Directors and senior management pursuant to the code provision E.1.2(c)(ii) of the CG Code; and</li> <li>• ensuring the remuneration offered to the Directors and senior management of the Company is appropriate for the duties and in line with market practice.</li> </ul>
Major work performed during the year 2025	<ul style="list-style-type: none"> <li>• reviewing and approving performance-based remuneration of all executive Directors and senior management;</li> <li>• ensuring that no Director or any of his associates is involved in deciding his own remuneration;</li> <li>• ensuring the existing terms of employment of all executive Directors and appointment letters of independent non-executive Directors of the Company are fair and reasonable; and</li> <li>• reviewing and/or approving matters relating to share schemes under Chapter 23 of the GEM Listing Rules.</li> </ul>

During the year ended 31 December 2025, the Remuneration Committee reviewed the operation and compliance of the Share Award Scheme and the New Share Option Scheme with the requirements of Chapter 23 of the GEM Listing Rules. No material amendments to the schemes or grants of share options or awards were made during the year. No grants of share options were made to the Directors or senior management of the Company during the financial year. In respect of the grants of awarded shares under the Share Award Scheme during the year, the Remuneration Committee considered the grantees' contributions to the Group, their responsibilities and performance, as well as the need to align their interests with those of the Company and its shareholders. The Remuneration Committee is satisfied that such grants are appropriate and consistent with the purpose of the Share Award Scheme to incentivise and retain talent for the long-term development of the Group.

## Corporate Governance Report

### BOARD MEETING

The Board regularly meets in person to discuss and formulate overall strategic direction and objectives and also approve annual and interim results as well as other significant matters of the Company. Execution of daily operational matters is delegated to management.

The Company Secretary assists the Board in preparing notice and agenda for the meetings, and ensures that the Company complied with the corporate governance practices and other compliance matters. Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance. At least 14 days notice of all regular board meetings were given to all Directors, who were all given an opportunity to include matters in the agenda for regular discussion. Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each regular board meeting or committee meeting (or such other period as agreed) to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions.

All Directors have access to the advice and services of the Company Secretary with a view to ensure that the Board procedures and all applicable rules and regulations are followed.

Minutes of the Board committee meetings are recorded in significant detail for any decision and recommendation made during the meetings. Draft and final versions of minutes are circulated to Directors or committee members within a reasonable time after the meetings are held and taken as the true records of the proceedings of such meetings. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

All Directors are entitled to have access to board papers and related materials unless there are legal or regulatory restrictions on disclosure due to regulatory requirements.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by way of a Board/committee meeting and the interested shareholder or Director shall not vote nor shall he/she be counted in the quorum present at the relevant meeting. Independent non-executive Director who, and whose associates, have no material interest in the transaction, should be present at such a board meeting.

## Corporate Governance Report

## ATTENDANCE OF INDIVIDUAL DIRECTORS

Details of Directors' attendance at the Board meetings, meetings of Board committees and general meetings held in 2025 are set out in the following table:

Name of Directors	Attendance/Number of meetings				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Annual/Special General Meeting
<b>Executive Directors</b>					
Mr. Chong Cho Lam (resigned on 31 July 2025)	4/5	N/A	N/A	N/A	2/2
Mr. Dong Choi Chi, Alex (resigned on 26 January 2026)	9/10	N/A	N/A	N/A	2/2
Mr. Xiong Guorui (appointed on 26 January 2026)	N/A	N/A	N/A	N/A	N/A
<b>Non-executive Directors</b>					
Mr. Ma Xinying	4/8	N/A	N/A	N/A	0/2
Mr. Ye Chao (appointed on 3 December 2025)	N/A	N/A	N/A	N/A	N/A
Ms. Yuan Xiaomei	5/8	N/A	N/A	0/1	0/2
<b>Independent non-executive Directors</b>					
Dr. Ip Wai Hung	10/10	3/3	1/1	1/1	2/2
Mr. Chan Wai Man	10/10	3/3	1/1	1/1	2/2
Mr. Siu Hi Lam, Alick	10/10	3/3	1/1	1/1	2/2

## AUDITOR'S REMUNERATION

During the year ended 31 December 2025, remuneration in respect of audit and non-audit services provided by the existing auditor of the Company to the Group are set out below:

	2025 HK\$'000	2024 HK\$'000
Audit services	1,100	1,100
Non-audit services		
– continuing connected transactions	10	10
– tax services	37	37
<b>Total</b>	<b>1,147</b>	<b>1,147</b>

## Corporate Governance Report

### REMUNERATION OF SENIOR MANAGEMENT

The remuneration of the member of the senior management by band for the year ended 31 December 2025 is set out below:

	Number of members of senior management
HK\$1,000,000 or above	3
HK\$500,000 – HK\$999,999	–
	3

Further particulars regarding the five highest paid employees and Directors' remuneration are set out in note 14 to the consolidated financial statements, respectively.

### APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

The Nomination Committee is responsible for identifying appropriate candidate and proposing qualified candidate to the Board for consideration. The Board, including the Nomination Committee, will review profiles of the candidates recommended by the Nomination Committee and make recommendations on the appointment, re-election and retirement of Directors.

Candidates are appointed to the Board on the basis of their skill, competence and experience that they can contribute to the Company. The Company believes that members of the Board, individually and collectively, have satisfactorily discharged their duties.

Newly appointed Director will be briefed and updated to ensure that he has a proper understanding of the operations and business of the Company and that he is fully aware of his responsibilities under the GEM Listing Rules, Companies Ordinance, Securities and Futures Ordinance, and other regulatory requirements.

The independent non-executive Directors are appointed for an initial term of one year from the date of appointment and is renewable each year. They are subject to retirement by rotation and re-election by shareholders at the Annual General Meeting ("AGM") after their appointment and thereafter at least once every three years in accordance with the Bye-laws of the Company.

In accordance with the Bye-laws of the Company, one-third of the Directors who have been longest in office since their last election or re-election are also subject to retirement by rotation at the AGM. All retiring Directors are eligible for re-election.

## Corporate Governance Report

### BOARD DIVERSITY AND WORKFORCE

The Company has formulated the board diversity policy aiming at setting out the approach on diversity of the Board of the Company. The Company believes that a diversity of perspectives can be achieved through consideration of a number of aspects, including but not limited to skills, regional and industry experience, background, race, gender and other qualities. Board appointments will be made on merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. There is no financial, business, family or other material/relevant relationships between Board members.

The Board currently consists of both male and female members. The Board believes that this gender-balanced composition provides a range of diverse perspectives and insights, which are instrumental in ensuring comprehensive decision-making and high standards of corporate governance. The Company is committed to maintaining at least one female Director on the Board and will continue to review its composition to ensure an appropriate balance of skills and diversity.

The Board places emphasis on diversity (including gender diversity) across all levels of the Group. The employee gender ratio of the Group (including senior management) as at 31 December 2025 is 43% male: 57% female. The Group when hiring employees considers a number of factors, including but not limited to gender, age, cultural and education background, qualification, ethnicity, professional experience, skills, knowledge and length of service, and the Group will make sure achieving gender diversity across the workforce.

During the year ended 31 December 2025, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

The Nomination Committee is responsible for monitoring and reviewing the implementation of the board diversity policy to ensure its effectiveness and recommending any revisions of the policy to the Board for consideration and approval.

### NOMINATION POLICY

The Board has adopted the Nomination Policy aims to set out the nomination procedures and processes and criteria in evaluating and selecting candidates for Board Directorship:

### CRITERIA

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

- Reputation of integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the board diversity policy that are relevant to the Company's business and corporate strategies;
- Commitment in respect of available time and relevant interest; and
- Requirement for the Board to have independent directors in accordance with GEM Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the GEM Listing Rules.

### NOMINATION PROCESS

- (a) Appointment of New Director
  - (i) The Nomination Committee should, upon receipt of the proposal on appointment of a new director and the biographical information (or relevant details) of the candidate, evaluate such candidate based on the criteria as set out above to determine whether the proposed candidate is qualified for directorship.
  - (ii) If the process yields one or more desirable candidates, the Nomination Committee should rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
  - (iii) The Nomination Committee should then recommend to the Board to appoint the appropriate candidate for directorship.
  - (iv) For any person that is nominated by a shareholder for election as a director at the general meeting of the Company, the Nomination Committee should evaluate such candidate based on the criteria as set out above to determine whether such candidate is qualified for directorship.
  - (v) Where appropriate, the Nomination Committee should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

## Corporate Governance Report

- (b) Re-election of Director at General Meeting
- (i) The Nomination Committee should review the overall contribution and service to the Company of the retiring director and the level of participation and performance on the Board.
  - (ii) The Nomination Committee should also review and determine whether the retiring director continues to meet the criteria as set out above.
  - (iii) The Nomination Committee and/or the Board should then make recommendations to the shareholders in respect of the proposed re-election of director at the general meeting.
  - (iv) Where the Board proposes a resolution to elect or re-elect a candidate as director at the general meeting, the relevant information of the candidate will be disclosed in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting in accordance with the GEM Listing Rules and/or applicable laws and regulations.

### REGULAR REVIEW

The Nomination Committee will conduct regular review on this Policy, the structure, size, expertise and diversity of the Board. When it is appropriate, the Nomination Committee will make recommendations on changes to the Board to complement the Company's corporate strategies and business needs.

### DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING AND DISCLOSURES

The Directors acknowledge their responsibility for preparing the financial statements of the Company and of the Group.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the GEM Listing Rules and other statutory and regulatory requirements. The Directors are responsible for the preparation of the consolidated financial statements of the Group for the relevant accounting periods under applicable statutory and regulatory requirements which give a true and fair view of the state of affairs, the results of operations and cash flows of the Group. In preparing the annual and interim results of the Company for the year ended 31 December 2025, the Directors have adopted suitable accounting policies and applied them consistently.

### Material Uncertainty Related to Going Concern

Pursuant to Code Provision D.1.3, the Board draws the attentions of shareholders and other stakeholders of the Company to a situation where the Directors are aware of certain material uncertainties may cast significant doubt on the Company's ability to continue as a going concern which has been disclosed in note 2 to the consolidated financial statements.

Shareholders and stakeholders of the Company are advised to refer to the Independent Auditors' Report for the details of going concerns issues.

The responsibility of the auditor with respect to the consolidated financial statements is set out in the Independent Auditor's Report on pages 44 to 47 of this annual report.

### COMPANY SECRETARY

The Company Secretary supports the Board and the Board Committees by ensuring good information flow and that policy and procedures are followed. He advises the Board on governance matters and facilitates the induction and professional development of Directors. The Company Secretary is an employee of the Company and is appointed by the Board. Although the Company Secretary reports to the Board, all Directors may call upon for advice and assistance at any time in respect to their duties and the effective operation of the Board and the Board Committees. The Company Secretary also plays an essential role in the relationship of the Company and its shareholders, including assisting the Board in discharging its obligations to shareholders pursuant to the GEM Listing Rules.

The Company does not engage an external service provider as its Company Secretary. Mr. Jip Ki Chi, being the secretary of the Company, has taken not less than 15 hours of relevant professional training during the year ended 31 December 2025.

### DIRECTORS' TRAINING

Upon appointment to the Board, the Directors receive a package of orientation materials about the Group and are provided with a comprehensive induction to the Group's businesses by senior executives. Regular trainings and business and market updates are provided to the Directors to help ensure that the Directors are apprised of the latest changes in the commercial, legal and regulatory environment in which the Group conducts its businesses.

During the year, each Director had participated in continuous professional development by attending seminars/workshop or by reading materials on relevant topics to update and develop their knowledge and skills and provided a record of training to the Company.

## Corporate Governance Report

The individual training record of each Director received for the year ended 31 December 2025 is summarized below:

Name of Directors	Notes	Reading relevant materials in relation to the business or director's duties
Mr. Chong Cho Lam		✓
Mr. Dong Choi Chi, Alex		✓
Mr. Xiong Guorui	1	✓
Mr. Ma Xinying		✓
Mr. Ye Chao	2	✓
Ms. Yuan Xiaomei		✓
Dr. Ip Wai Hung		✓
Mr. Chan Wai Man		✓
Mr. Siu Hi Lam, Alick		✓

### Notes

- Mr. Xiong Guorui was appointed as an executive Director on 26 January 2026, had obtained the legal advice on 21 January 2026 referred to in Rule 5.02D of the GEM Listing Rules from CLKW Lawyers LLP as regards the requirements under the GEM Listing Rules that are applicable to them as a director of the Company and the possible consequences of making a false declaration or giving false information of the Stock Exchange.
- Mr. Ye Chao was appointed as a non-executive Director on 3 December 2025, had obtained the legal advice on 1 December 2025 referred to in Rule 5.02D of the GEM Listing Rules from CLKW Lawyers LLP as regards the requirements under the GEM Listing Rules that are applicable to them as a director of the Company and the possible consequences of making a false declaration or giving false information of the Stock Exchange.

## RISK MANAGEMENT AND INTERNAL CONTROL

### Responsibility

The Group believes that risk management is not a sole responsibility of the Board, but everyone within the Group. It aims to develop risk awareness and control responsibility as our culture and the foundation of our internal controls system. The internal controls system applies to the Group's critical business processes including investment decisions and day-to-day operations.

At the same time, the Board had overall responsibility for the Group's risk management and internal control systems, which includes the establishment of a defined management structure with specified limits of authority. The system is designed to help the achievement of business objectives of the Group, effectiveness and efficiency of the operation; reliability of financial reporting; and compliance with applicable laws and regulations. The risk management and internal control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss rather than eliminate risks of failure in operational systems and achievements of the Group's objectives.

### Framework and Approach

The Board, through audit committee (the "Audit Committee") had conducted a review of the effectiveness of the Group's risk management and internal control systems at least annually and on an ongoing basis. The Group had set up three lines of defence in risk management and internal control. At the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provide technical support and oversees portfolio management. As the final line of defence, the group internal audit ("the Group Internal Audit") assists the Audit Committee to review the first and second lines of defence.

### Risk Management Process

The Group seeks to have risk management features embedded in the day-to-day operations. Through both integrated top-down and bottom-up risk review processes, the key risks faced by the Group have been identified and prioritised. For the identified risks, the Group determines the action plans and management targets. The management of each business unit of the Group is responsible for managing their respective day-to-day operational risks, and implementing measures to mitigate such risks.

Group Internal Audit monitors the implementation of risk management, and continuously reviews and assesses the efficiency and adequacy of action plans on a regular basis. Such assessment results will be regularly communicated and reported to Audit Committee and the Board.

### Process used to identify, evaluate and manage significant risks

The Board and management, with the assistance of the external consultant, are responsible for designing, implementing and monitoring of the risk management and internal control systems.

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

#### Risk identification

- Identifies risks through discussion with the management and management of each business unit of the Group. Risk identification and management questionnaire are used to document the risks identified by the management and management of each business unit of the Group.

#### Risk Response

- Categorizes the risks into low, medium or high risk;
- Determines the strategy to handle the risk; and
- Develops the risk register and internal audit plan and determines the frequency of review and control testing on key controls.

## Corporate Governance Report

### *Risk Monitoring and Reporting*

- On-going communication of monitoring results with the Board which enables it to assess internal control of the Group and the effectiveness of risk management during the year;
- risk questionnaires completed by the management, risk register and internal control audit plan; and
- fact finding report with recommendations on the review and testing of internal control on certain operating cycles and areas.

### **Internal control effectiveness**

#### *Internal Auditing*

Group Internal Audit reports to the Audit Committee, on the results of their activities during the preceding period pertaining to the adequacy and effectiveness of internal controls, including but not limited to, any indications of failings or material weaknesses. In those controls, Group Internal Audit adopts a risk-and-control-based audit approach. Based on the result of the Group's risk assessment, the Group has developed a three-year internal audit plan. During the year, the Group had engaged an external consultant to assist the Group Internal Audit in performing various agreed upon reviews on certain selected operating cycles. This review covered all material controls, including financial, operational and compliance controls of the cycles reviewed. In addition, Group Internal Audit also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting functions, and their programs. The results of these audit activities are communicated to the Audit Committee. Audit issues are tracked, followed up for proper implementation, and their progress are reported to the Audit Committee periodically.

In addition to the review of risk management and internal controls undertaken by Group's Audit Committee and Group Internal Audit, the external auditor also assessed the adequacy and effectiveness of certain key risk management and internal controls as part of their statutory audits. Where appropriate, the external auditor's recommendations are adopted and enhancements to the risk management and internal controls will be made.

The Audit Committee was satisfied with the results of the self-evaluation of the Group and considered that the risk management and internal control systems of the Group were effective and adequate and its opinion was endorsed by the Board.

## ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Group has established anti-fraud and anti-money laundering policy that promote and support anti-corruption laws and regulations, and set out measures for employees, suppliers and business partners to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group.

## INSIDE INFORMATION

The Company recognises that the release of inside information to place anyone in a privileged dealing position is strictly prohibited and has adopted an Inside Information Policy to ensure compliance of the GEM Listing Rules. Prior to the announcement of any inside information, all Directors and senior management are requested to take all reasonable steps to maintain strict confidentiality and where it is reasonably likely that confidentiality may have been lost in respect of the inside information, the Company shall as soon as reasonably practicable, apply to the Stock Exchange for a trading suspension of its shares.

## INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders. Information of the Company is disseminated to the shareholders in a manner of (i) delivery of the interim and annual reports to all shareholders; (ii) publication of announcement on the interim and annual results on the website of the Stock Exchange and the Company, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the GEM Listing Rules; and (iii) the general meeting of the Company is also an effective communication channel between the Board and the shareholders.

The Board has reviewed the implementation and effectiveness of the communication policy including steps taken at the general meetings, the handling of queries received (if any) and the channel of communication and engagement in place, and considered that the policy has been properly implemented during the year under review and is effective.

## COMMUNICATION WITH SHAREHOLDERS

Communication with shareholders is given a high priority. The Company aims to provide its shareholders with high standards of disclosure and financial transparency through the publication of annual and interim reports, press announcements and circulars made through the website of the Stock Exchange and the Company.

The Board also maintains an on-going dialogue with shareholders and use general meeting to communicate with shareholders. The Company encourages all shareholders to attend general meeting which provides a useful forum for shareholders to exchange views with the Board. The Chairman of the Board and members of relevant committees and senior management of the Company are also available to answer the shareholders' questions. The notice of AGM was sent to shareholders at least 21 clear days before the AGM. For general meeting other than AGM, notice was sent to shareholders at least 14 clear days before the general meeting.

## CONSTITUTIONAL DOCUMENTS

During the financial year, there were no changes in any of the Company's constitutional documents.

## DIVIDEND POLICY

The declaration of any dividend is subject to the discretion of the Board, and if necessary, the approval of our shareholders, subject to the applicable of Bye-Laws of the Company. A decision to pay any dividend, and the amount of such dividend, depends on a number of factors, including but not limited to the results of operations, revenue, financial position of the company, company liquidity and investment opportunities, and other economic factors that may affect the company.

There will be no assurance that our Company will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid in the future. The Board will review the dividend policy from time to time, and may update the policy as they see fit.

## SHAREHOLDERS' RIGHTS

### How shareholders can convene a special general meeting and putting forward proposals at shareholders' meetings

Pursuant to the Bye-Laws of the Company, any one or more shareholder holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company by mail at 17th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition and 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 requisitions(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitions(s) as a result of the failure of the Board shall be reimbursed to the requisitions(s) by the Company.

Shareholders are also welcomed to put forward proposals relating to the operations and management of the Group to be discussed at shareholders' meeting. The proposals shall be sent to the Board or the secretary by a written requisition specifying the shareholding information of the shareholder, his/her contact details and the proposal he/she intends to put forward, following the procedures set out above.

### Procedures by which enquiries may be put to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the secretary of the Company by mail at 17th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong or by email at enquiry@8082.com.hk. The Company Secretary forwards communications relating to matters within the Board's direct responsibilities to the Board and communications relating to ordinary business matters, such as suggestions, inquiries and customer complaints, to the chief executive officer of the Company.

# Environmental, Social and Governance Report

## I. REPORT OVERVIEW

Qing Hua Holding Group Company Limited (the “Company”), and its subsidiaries (collectively, the “Group” or “We”) continue to strive for excellence in a wide range of businesses. The Group is an investment holding company mainly engaging in the media and entertainment businesses, which provides movie productions, concert organizations, and entertainment events across Hong Kong, Macau, Taiwan, the People’s Republic of China (the “PRC”) and Malaysia.

In compliance with the requirement under Appendix C2 – Environmental, Social and Governance Reporting Guide (the “ESG Guide”) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by Hong Kong Exchanges and Clearing Limited (the “HKEX”) under the “Comply or Explain” provision, the Group is pleased to present its Environmental, Social and Governance Report (the “ESG Report”) for the year ended 31 December 2025 (“FY2025”), which illustrates the Group’s performance, strategies, management approaches and efforts on ESG governance during the year under review.

Reckoning our Group’s important role in the industry, the Board is committed to creating sustainable value for its stakeholders and realising its sustainable goals. The Board assumes ultimate responsibilities for overseeing all ESG matters, ensuring the effectiveness of the Group’s ESG policies and implementing sustainability approaches from top to bottom. Meanwhile, a dedicated senior management, under the Board’s leadership and oversight, reviews and updates the Group’s sustainability policies based on the market demands and the ever-changing needs of its stakeholders.

### Reporting Boundary

The ESG working group comprised of senior management and staff members with adequate knowledge on ESG. In addition, the ESG working group also engage a third-party consultant for assistance. The ESG working group facilitates the Board’s oversight of ESG-related issues and has the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group’s ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing ESG reports. The ESG working group arranges meeting periodically to discuss and review ESG-related issues including but not limited to the effectiveness of current Group’s performance, ESG policies and procedures, ESG-related performance, as well as the progress made against the Group’s ESG-related goals and targets in terms of sustainable development. The ESG working group reports to the Board periodically and assists the Board to discharge its oversight responsibility.

The reporting boundary is defined as the major business segments of the Group, including the media and entertainment business operations in Hong Kong.

For the corporate governance section, please refer to the Group’s 2025 Annual Report.

## Environmental, Social and Governance Report

### Reporting Principles

#### ***Materiality:***

Among various environmental, social and economic issues, the Group strives to identify issues with the most significant impacts on its investors and stakeholders and address them accordingly. In FY2025, the Group adopted the commonly-used strategic business tool, the materiality assessment, to gather opinions from internal and external stakeholders regarding its sustainable development. External suppliers and business partners, internal general staff, managerial staff as well as senior management were invited to participated in the engagement.

#### ***Quantitative:***

A series of well-defined Key Performance Indicators (KPIs) are used for benchmarking and measurement to quantitatively demonstrate the environmental and social impacts. This ESG Report not only clearly lists the methodologies, calculation tools and conversion factors used for calculation and assumption, but also demonstrate information in numerical figures for better understanding and comparison.

#### ***Balance:***

This ESG Report strives to provide a full picture of the Group's performance on sustainability aspects. As such, this ESG Report reveals both the Group's achievements and room for improvement without selectively presenting only favourable information, to ensure objectivity and avoid bias.

#### ***Consistency:***

The statistical methodologies used in this ESG Report are generally consistent with those used in the previous year for meaningful comparisons. Any changes that may affect comparisons with previous reports will be described in the corresponding sections of this ESG Report.

## III. STAKEHOLDER ENGAGEMENT

The Group continues to maintain the relationships and communicate with its key stakeholders. We have identified our employees, customers, suppliers, investors, shareholders and communities at large as our key stakeholder groups. In daily business, we communicate with different key stakeholders through various channels so as to understand the concerns of various stakeholders. To formulate the operational strategies and ESG measures, the Group takes into account the expectations of stakeholders and strives to improve its performance through mutual cooperation with the stakeholders, resulting in creating greater value for the community.

### **MATERIALITY**

Materiality assessment survey was conducted in respect of ESG to understand their views, seriously considered and responded to the needs and expectations of the key stakeholders, evaluated and prioritised their inputs to improve the performance, and finally strive to provide values to the stakeholders. Effective risk management and internal control systems on these aspects are reinforced with the aim of enhancing efficiency of operations and generating the environmental and social benefits to the stakeholders.

## Environmental, Social and Governance Report

### IV. ENVIRONMENTAL SUSTAINABILITY

Reckoning the importance of the environment to the Group's development, the Group endeavours to handle environmental related issues properly in preserving natural resources. As an enterprise which major business activities mainly focusing on the media entertainment industry, the Group's significant environmental impacts mainly came from the operations of offices during the year. This section primarily discloses the Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources, and climate-related management in FY2025.

#### A.1 Emissions

In FY2025, business operations of the Group did not result in the consumption of natural gas or diesel. As such, there were no material nitrogen oxides ("Nox"), sulphur oxides (SOx"), or particulate matters ("PM") emissions during the report period.

In FY2025, the Group's major indirect GHG emissions are the consumption of electricity and solid waste arisen from the operations of offices which comply with related laws below. The details are disclosed in each sub topic of this section.

- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong).

**Table E1 – The Group's Total Emissions by Category in FY2025 and FY2024**

Emission Category	Key Performance Indicator (KPI)	Unit	Amount in FY2025	Intensity <sup>1</sup> (Unit/employee) in FY2025	Amount in FY2024	Intensity <sup>1</sup> (Unit/employee) in FY2024
GHG Emissions	Scope 1 (Direct Emissions)	Tonnes of CO <sub>2</sub> e	-	-	-	-
	Scope 2 (Energy Indirect Emissions)	Tonnes of CO <sub>2</sub> e	23.49	0.50	42.09	0.84
	Total (Scope 1 & 2)	Tonnes of CO <sub>2</sub> e	23.49	0.50	42.09	0.84
Non-hazardous Waste	Solid Wastes	tonnes	0.3	0.0064	3.53	0.0706
	Recycled Wastes	tonnes	0.3	0.0064	0.383	0.0077

Notes:

1. The calculation method of the corresponding air emission assessment figures and the emission factors used in the calculation are based on "GHG Protocol" issued by the World Resources Institute and WBCSD; "Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework" issued by HKEX.
2. The emission factors were made reference to CLP Holdings Limited.
3. Scope 2 covers the electricity consumption according to electricity bills received by the Company.
4. Intensity shall be calculated by consumption/emissions per employee.

## Environmental, Social and Governance Report

### **Air and GHG Emissions**

In FY2025, air emissions were primarily generated indirectly from the use of electricity across all the operations of the Group.

#### *Targets and Actions*

The Group has set targets to show its commitment to air and GHG emissions reduction. The Group aims to reduce its group-wise air emissions and GHG emission intensities in FY2026 by 5% taking FY2024 as the baseline year.

To achieve its goals, the Group keeps updating its operating practices following the latest international operational standards.

Detailed measures are further described in A.2. Use of Resources of this Report.

### **Non-hazardous Waste**

During the year under review, there were no hazardous waste created nor disposed. Non-hazardous wastes from the Group's operation are mainly the paper waste. In the reporting year, the Group recycled 0.3 tonnes of waste.

#### *Targets and Actions*

To drive, motivate and quantify its waste reduction efforts, the Group sets and reviews its targets annually. The Group aims to reduce its waste disposed of per employee in FY2026 by 5% taking FY2024 as the baseline year. To strive for its goals, the Group ensures its waste management policies are being implemented strictly and allocates more resources to employees' education to raise their waste reduction awareness. Besides, the Group aims to maintain its wastewater discharged per employee in FY2026 same as that of FY2024. Since the Group believes freshwater consumption and wastewater disposal are highly correlated, it has developed water-saving practices in offices to manage freshwater usage. The water-saving approaches are further discussed in section A.2 Use of Resources of this ESG Report.

## Environmental, Social and Governance Report

### A.2 Use of Resources

The Group has strived to enhance energy and resource efficiency as it recognises the preciousness of natural resources.

In FY2025, the Group complied with the applicable laws and regulations regarding the use of resources. Meanwhile, the Group mainly consumed electricity and paper in the year under review.

**Table E2 – The Group’s Total Use of Resources by Category in FY2025 and FY2024**

Use of Resources	Key Performance Indicator (KPI)	Unit	Amount in FY2025	Intensity <sup>1</sup> (Unit/employee) in FY2025	Amount in FY2024	Intensity <sup>1</sup> (Unit/employee) in FY2024
Energy	Electricity	kWh	46,980	999.57	113,747	2,274.94
	Total	000’kWh	46.98	0.99	113.75	2.27
Packaging materials		kg	–	–	10	0.2

Note: As the Hong Kong Office does not have separate meters for water consumption measurement, hence water consumption data is not available.

#### **Electricity**

The Group aspires to lower its electricity consumed per employee in FY2026 by 5% taking FY2024 as the baseline. To achieve the target, the Group actively controls its electricity consumption. For instance, the Group encourages its staff to maximise the use of natural resources such as daylight and wind in the workplace, prioritises eco-friendly devices during procurement and conducts appliance maintenance regularly to ensure high energy efficiency.

#### **Water**

In FY2025, the Group did not face any problems in sourcing water fit for its purpose. The Group’s primary water consumption was commercial activities in the offices.

The Group has exerted great efforts in saving water. For instance, the Group has educated its employees on water conservation and developed a “water saving” culture by implementing a water-saving protocol and optimising its water utilisation efficiency.

#### **Packaging Material**

Paper is used only for printing and writing purposes in the offices. We will continue to monitor our usage and look at ways to introduce more sustainable and environmentally friending materials where possible and we target a further 3% reduction in paper usage in the next year.

## Environmental, Social and Governance Report

### A.3 The Environment and Natural Resources

Adhering to the “Going Green and Low Carbon” principle, the Group believes that operating in an environmentally friendly manner is favourable to its long-term growth. As such, the Group strives to join hands with its stakeholders to build a more sustainable future through behavioural changes.

To keep track of its performance and the effectiveness of its approaches, the Group has been continuously reviewing its natural resource consumption. In FY2025, attributed to the unified efforts of its staff members, the Group was classified as a “Hong Kong Green Organisation” by the Environmental Campaign Committee, with a “excellent level” in “Wastewi\$e”, as a recognition of its commitment on waste reduction and recycling.

### A.4 Climate Change

Undoubtedly, climate change and its consequences are stepping into every aspect of our lives. The Group treats them seriously and views them as potential opportunities if appropriately handled. To support the just transition to a national ambitious goal of net zero economy by 2060, the Group endeavours to assess and manage its climate-related issues though applying well-recognised practices.

Due to the business nature, the Group considers that there will not be significant climate risks impacting its media and entertainment business since this business segment focuses on investments in entertainment projects which does not rely on specific fixed assets in specific locations.

Nevertheless, extreme weather events induced by climate change may negatively affect the Group’s short-term financial performance because the events, concerts, exhibitions and movies may be postponed or even cancelled accordingly. In view of this, the Group’s experienced teams have worked with its business partners to construct contingency plans under extreme weather. The Group believes their strong experience in managing contingent events helps minimize potential climate-related risks and loss.

While there are not any immediate severe direct climate impacts on the Group’s operations at this moment, the Group understands that with the rapid evolving climate situation, other related risks or opportunities may arise in any time. As such, the Group is committed to performing a more detailed preliminary risks analysis with reference to the international framework in the future, while ensuring its Management and the Board keep abreast of the latest trend and information so as to monitor and formulate mitigation measures in a timely manner when necessary.



## Environmental, Social and Governance Report

## V. SOCIAL SUSTAINABILITY

## EMPLOYMENT AND LABOUR PRACTICES

The Group believes every employee is valuable and their uniqueness contributes to the Group's long-term development. Hence, the Group aspires to build a supportive and diverse team, while creating an inclusive and safe workplace. Promoting a healthy and positive culture with equality and professional development being valued has always been the Group's mission.

**B.1 Employment**

**Table S3. Number of Employees by Age Group, Gender, Employment Type, Position Type, Geographical Locations of The Group in FY2025**

	Age group			
	Aged 30 or below	Aged between 31 and 40	Aged between 41 and 50	Aged 51 or above
Number of employees	8	15	11	13

  

	Gender	
	Male	Female
Number of employees	20	27

  

	Position		
	General staff	Operational Staff	Managerial
Number of employees	17	21	9

  

	Employment type		
	Full time	Part time	Total
Number of employees	44	3	47

  

Geographical location	
Locations	Number of employees
Hong Kong	41
Taiwan	6
Total:	47

## Environmental, Social and Governance Report

### Law Compliance

In FY2025, the Group abided by the applicable laws and regulations in Hong Kong that were material to the Group's business, including but not limited to:

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Employees' Compensation Ordinance (Cap. 282 of the Laws of Hong Kong);

The Group's Human Resources Department is responsible for regularly reviewing and updating the talent management guidelines and documents to ensure the Group's relevant internal policies are aligned with the latest local law and regulations.

### Recruitment and Promotion

Reckoning talents are crucial to prosperity, the Group offers fair and competitive remuneration and benefits based on individuals' performance, personal attributes, job experiences and career aspirations to draw high-calibre candidates. Besides, the Group captures talents through partnering with headhunting companies and posting job advisement on websites. The Group has exerted great efforts to standardise and improve its promoting procedures, aiming to retain, recognise and motivate the most suitable and outstanding personnel.

### Compensation and Dismissal

The Group conducts compensation reviews and salary adjustments regularly to recognise the employees' contributions and motivate them. The adjustments take numerous factors into account, including the overall market conditions, the inflation rate, the profits of the Group and the employee's previous performance.

Unfair and illegitimate dismissals are strictly prohibited. The Group will issue a verbal warning in advance of a written warning letter to those employees with unsatisfying performance. However, if the underperformed employee makes the same mistakes repetitively, the Group will dismiss the personnel in accordance with the internal policies and applicable regulations.

**Table S4. Employee Turnover Rate by Age Group, Gender and Geographical Locations in FY2025**

	Age group				Total
	Aged 30 or below	Aged between 31 to 40	Aged between 41 to 50	Aged 51 or above	
Number of employees	1	2	1	0	4
Employee turnover rate (%)	12.5%	13.33%	9.1%	0	8.51%

  

	Gender		Total
	Male	Female	
Number of employees	3	1	4
Employee turnover rate (%)	15%	3.7%	8.51%

  

Locations	Geographical locations	
	Number of employees	Employee turnover rate (%)
Hong Kong	4	9.76%
Taiwan	0	0

## Environmental, Social and Governance Report

### *Working Hours and Rest Period*

In addition to the basic paid annual leave and statutory holidays stipulated by the local governments, the Group also provides its employees with additional benefits such as marriage, paternity, and compassionate leave.

### *Equal-opportunity and Anti-discrimination*

The Group promotes inclusiveness and diversity in the working environment. It believes a cooperative, equal and peaceful culture across all business sectors and positions boosts creativity and innovation, bringing more profits to the Group. As such, the Group has embraced anti-discrimination and equality in its human resources decisions. Specifically, hiring, training, promotion opportunities, dismissal and retirement policies are all based on factors irrespective of the applicants' or the employees' age, sex, marital status, pregnancy, family status, disability, race, colour, descent, national or ethnic origins, nationality, religion or any other non-job-related factors.

The Group has enacted internal policies to foster equality and combat workplace discrimination, harassment or victimisation following relevant laws and regulations, including the Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong), the Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong) and the Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong).

To eliminate workplace discrimination, the Group encourages employees to voice out and report any discrimination or harassment they face. With enough evidence to prove the non-compliance or breach of equal opportunity legislation, the Group would take disciplinary actions against the involved employees.

### *Benefits and Welfare*

The Group cares about the well-being of its employees and believes that they perform best in a secure and healthy environment. As such, the Group has provided its employees with comprehensive welfare and benefits.

To facilitate a work-life balance working style that considers physical and mental health, the Group organises recreational activities regularly. Gatherings were held during Mid-autumn Festival and Chinese New Year to enhance the staff's cohesion and release working pressure. Besides, the Group also provided medical examination and organised trips for its staff.

During the year under review, the Group complied with relevant laws and regulations regarding compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, welfare and other benefits that have a significant impact on the Group.

## Environmental, Social and Governance Report

### **B.2 Health and Safety**

The Group prioritises occupational safety and has zero tolerance for accidents. Hence, the Group has devised internal health and safety policies in accordance with the applicable laws and regulations in Hong Kong, including the Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong) and Regulation on Work-Related Injury Insurance (《工傷保險條例》)

The Group inspected the venues to ensure protection equipment and first-aid medicines are well in place and under stringent management.

The Administrative Department is responsible for implementing and monitoring the above-mentioned health and safety policies, which are applicable to employees of all levels. At the same time, the Department heads conduct monthly safety inspections with the supervision of the Administrative Department. If potential health and safety risks are identified, the heads shall report to the General Manager immediately.

With its dedicated efforts to reducing occupational hazards, the Group recorded zero work-related fatalities in the past three years including the reporting year and zero work-related injuries with no workday lost in FY2025.

### **B.3 Development and Training**

The Group views training as a strategic investment for long-term success and believes it is an effective way to unleash its employees' capabilities. Through occupational training, employees can improve their skills and enhance efficiency. Furthermore, continuous improvement fosters good corporate culture and builds a positive image for the Group.

As such, the Group provides many training opportunities for all its employees, aiming to maintain their competitiveness and expand their abilities. Employees are highly encouraged to participate in both internal and external training. For internal training, the Group organises a multitude of on-the-job training for new joiners to introduce the company's corporate culture, business processes, health and safety measures, management systems and overall approach, letting them get familiar with the new working environment. Other than internal training, the Group also encourages its employees to join external training programs and offers additional study leaves for employees to take an external examination. The training and examination fees can be reimbursed upon Department Head's approval.

In FY2025, 47 employees of the Group received a total of 47 hours of training.

## Environmental, Social and Governance Report

### **B.4 Labour Standards**

In FY2025, the Group complied with laws and regulations related to child or forced labour, including but not limited to the Employment Ordinance (Cap. 57 of the Laws of Hong Kong).

The Human Resources Department monitors and ensures the obedience to the most updated laws and regulations to eliminate child labour and forced labour within the Group. Since the Group has zero tolerance for child labour, underage workers and forced labour, the Human Resources Department requires applicants to submit a valid document for identity verification before confirmed employment. Besides, the Human Resources Department and the Finance Department are responsible for reviewing the employees' personnel documents every six months. Once the Group discovers any non-conformance with the relevant labour law, regulation and standards, the corresponding employee will be terminated immediately.

In FY2025, the Group abided by the relevant laws and regulations regarding the prevention of child and forced labour that have a significant impact on the Group.

## OPERATING PRACTICES

### **B.5 Supply Chain Management**

Due to the nature of our principal business activities, the Group worked with 230 suppliers during the reporting year, 90% of them were locally based in Hong Kong. During the procurement process, the Group evaluates and assesses the suppliers' quality of services and products, their experience and track record, and review from public domain as to any reporting violation to ESG rules and regulations. In order to minimize the carbon emission, the Group is committed to prioritising green products and suppliers.

### **B.6 Product Responsibility**

While the Group has been engaging in a variety of businesses, the diversity of its operations has never diverted its focus and concerns in providing the best entertainment experiences to all its valued customers.

#### *Media and Entertainment Business*

##### Law Compliance

The entertainment sector's principal business activities are to organise concerts and exhibitions and to produce media. As such, the Group values intellectual property rights and public safety since these factors affect the quality and attractiveness of the services and products. In FY2025, the Group acted in accordance with the relevant laws and regulations in Hong Kong and Macau, including but not limited to the following:

- DL 43/99/M in Macao (著作權及有關權利之制度);
- Copyright Ordinance (Chapter 528 of the Laws of Hong Kong);

##### Quality of Products

The Group understands the importance of quality and safety and strives to meet the ever-changing customers' expectation for business growth. Hence, the Group has a Quality Control Team to scrutinise its products' quality and monitor the event safety through onsite facility checkings. At the same time, the Group employs security guards to guarantee the event venues' security and public safety and janitors to clean and disinfect the entire areas before and after the shows. To ensure the instruments and equipment are in good functionality and quality, the Group engages professional engineers to conduct inspections. In addition, the Group invests in and produces entertainment programs with a variety of themes and content, aiming to take different genders and minority groups into consideration. In the year under review, there were no products sold or shipped subject to recalls for safety and health reasons.

## Environmental, Social and Governance Report

### Advertising

The Group develops internal standards to regulate its advertisements and marketing materials. Besides, the Group consults experienced legal counsel to prevent exaggerated or wrong descriptions in advertisements and marketing materials. During the year under review, the Group complied with the applicable laws and regulations, including the Trade Descriptions Ordinance (Chapter 362 of the Laws of Hong Kong).

### Intellectual Property Rights

The Group respects others' intellectual properties and actively applies for trademarks for its properties. The Management Team is responsible for reviewing the agreements' clauses carefully to avoid trouble and conflicts. Besides, the Group pays extra attention to eradicating infringement. The Group will seek legal advice to protect its interest if it is involved in infringement cases.

During the year under review, the Group complied with relevant laws and regulations, including the Patents Ordinance (Chapter 514 of the Laws of Hong Kong).

### Complaints

To address customers' complaints timely and properly, the Group puts up opinion boxes and 24-hour hotlines to gain public feedback. The Head Office will first verify the opinion. Substantiated complaints will then be delivered to respective departments for remediate actions. The Group is committed to treating all complaints, including ticket-related and refund matters seriously. In FY2025, there were no substantiated complaints from its customers.

### Health and Safety

The Group continued its commitment to provide a safe, healthy and pleasant working environment to the employees. We conduct all our business in full compliance with relevant workplace health and safety laws and regulations including the Occupational and Health Ordinances of Hong Kong. In FY2025, the Group has recorded zero injury cases. Additionally, there was zero case of work-related fatalities occurred in the past three years including the 2025 Reporting Period. The Group continues to target to achieve a zero injury and causality result for the coming year.

### Privacy matters

The Group ensures that all rights and interests of customers are strictly protected by obeying the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) and other relevant laws and regulations.

Personal data collected will only be used for the purposes as predefined, while all employees are prohibited from disclosing any confidential information to external parties without customers' authorisations. To raise employees' awareness, professional training courses in privacy protection and confidentiality agreements are provided. Meanwhile, the IT Department of the Group sets restrictions between the office and the commercial network to prevent any unauthorized use, export or copy of customer data.

Given the business nature, labelling and recall procedures are not applicable nor material to the Group's business, thereby not being discussed in this Report. There was no any recalls of products sold or shipped for safety and health reasons in the reporting year.

In FY2025, the Group's all business sectors were in compliance with the relevant laws and regulations regarding health and safety, advertising, intellectual property, labelling and privacy matters of its products and services that have a significant impact on the Group.

## Environmental, Social and Governance Report

### B.7 Anti-corruption

Since ethics and morals are vital to the Group's reputation and image, the Group has committed to creating an ethical business culture, which boosts productivity and facilitates outstanding services and products.

In FY2025, the Group complied with the local laws and regulations relating to anti-corruption and bribery, irrespective of the area or country where the Group conducts its business, including Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Chapter 615 of the Laws of Hong Kong), and the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong).

All employees are required to perform their duties uprightly and disciplinarily. Besides, employees should not engage in bribery, extortion, fraud and money laundering activities that might affect business decisions or independent judgment and exploit the Group's interests.

The Group has developed a functional whistleblowing mechanism to spot inappropriate behaviours as soon as possible. Specifically, whistle-blowers can report suspicious cases through the supervision hotline or opinion box. Whistle-blowers are encouraged to inform the department or the Group's senior management of any misconduct with solid evidence and details. In addition to ensuring the effective implementation of the whistleblowing system through continuous monitoring, the Administrative Department is also responsible for conducting investigations against any suspicious or illegal behaviours to protect the Group's interests. Where any criminality is suspected, a report will be made to the local authority when the management considers it necessary.

The employees play an essential role in sustaining the Group's excellent ethical performance. The Group will provide training to our directors and employees on anti-corruption practices in the ensuing financial year.

In FY2025, the Group recorded zero concluded legal case regarding corrupt practices brought against the Group or its staff, and was in compliance with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that have a significant impact on the Group.

## COMMUNITY

### B.8 Community Investment

Adhering to its corporate vision, the Group has strived to contribute to the communities it serves to unleash its potential. As a strong entertainment company, the Group aspires to leverage its resources and capability to positively impact society and enhance people's quality of life. Through engagement, the Group understands the pressing needs of the deprived groups and allocates its resources accordingly.

#### *Happy Company*

The Group was received the "Happy Company" Logo by the Promoting Happiness Index Foundation and the Hong Kong Productivity Council in recognition of its efforts in enhancing "Happiness-at-work" during the year under review.



# Biographical Details of Directors and Senior Management

## EXECUTIVE DIRECTORS

**Mr. Dong Choi Chi, Alex (“Mr. Dong”)**, aged 45, joined the Group on 4 May 2015. Mr. Dong has a high standard over the quality of his products and services. He has extensive experience in marketing and promotion in 5 star hotels and resorts. Mr. Dong has also organized and invested in over 20 Asian superstars’ concerts, including Jacky Cheung, Aaron Kwok Fu Shing, Leon Lai, May Day, Jay Chou, George Lam. He has also participated in various awarding winning films such as *Vulgaria*, *SPL II*, *Paradox*, *The White Storm II*, *The Brink*, *Limbo*, *Time*, *Aberdeen*, *Chasing the Dragon* and *Palm Springs*.

After completing his diploma in Information Technology in Australia, Mr. Dong has completed a professional program in Producing in University of California Los Angeles. Subsequently Mr. Dong has completed an executive diploma in Corporate Governance and Sustainability Directorship with the Hong Kong Institute of Directors and the University of Cambridge. Mr. Dong has always supported the society by participating in charity and social ventures.

**Mr. Xiong Guorui (“Mr. Xiong”)**, aged 38, joined the Group on 26 January 2026. Mr. Xiong has over 10 years of extensive experience in securities affairs, investor relations, market value management, and capital operations across A-shares, Hong Kong stocks, and US stocks. Mr. Xiong served as the senior investor relations manager of 僑銀城市管理股份有限公司 (QiaoYin City Management Co., Ltd.\*) (002973.SZ) from June 2025 to November 2025, a company principally engaged in urban management services in the People’s Republic of China. Mr. Xiong previously served as the securities affairs representative of 能科科技股份有限公司 (Nancal Technology Co., Ltd.\*) (603859.SH), a company focused on technology solutions; as a US stock investor relations analyst at the Beijing representative office of Christensen Advisory; and as a business manager in the strategic investment department of HNA Group entities.

Mr. Xiong holds board secretary qualification certificates from the Shanghai Stock Exchange and Shenzhen Stock Exchange and has obtained a Master of Science in International Strategic Marketing from the University of Glasgow in 2015, a Master of Public Administration from Southwest Jiaotong University in 2014, and a Bachelor of Arts in English from Chongqing Three Gorges College in 2011.

## NON-EXECUTIVE DIRECTORS

**Mr. Ma Xinying (“Mr. Ma”)**, aged 56, joined the Group on 2 July 2024. Mr. Ma obtained his bachelor degree in economic management from the Party School of the Central Committee of the Communist Party of China in December 2002. Mr. Ma has over 19 years of experience in corporate management. Mr. Ma previously worked as a deputy general manager at Lanzhou Jinlun Industry Co., Ltd (蘭州金輪實業公司), a company mainly engaged in the marketing of coal, from June 2005 to March 2011 and a deputy general manager at China Railway Resources Xi’an Co., Ltd (中國鐵路物資西安有限公司), a company mainly engaged in the provision of integrated warehousing and logistics services, from March 2011 to August 2020. He has been the chairman of board of Hunan Qinghua Industry Co., Ltd (湖南擎華實業公司), a company mainly engaged in sales of mining machinery, since January 2021.

**Mr. Ye Chao (“Mr. Ye”)**, aged 38, joined the Group on 3 December 2025. Mr. Ye has over 17 years of extensive entrepreneurial and management experience across multiple industries, including health management, mining and new energy materials. Mr. Ye is currently the chairman of 四川恒冠天宇泓健康管理有限公司 (Sichuan Hengguan Tianyu Hong Health Management Co., Ltd.\*), a company principally engaged in health management in the People’s Republic of China. Mr. Ye previously co-founded 湖南擎華實業有限公司 (Hunan Qinghua Industrial Co., Ltd.\*), a mining company focused on fluorite resources and new energy materials. Mr. Ye has also founded and operated businesses in the catering sector. Mr. Ye graduated from 四川工商職業技術學院 (Sichuan Technology and Business College\*) in 2009 with a diploma in Marketing.

**Ms. Yuan Xiaomei (“Ms. Yuan”)**, aged 43, joined the Group on 8 October 2024. Ms. Yuan obtained her college diploma in English tourism from the Sichuan Radio and Television University in June 2003. Ms. Yuan has nearly 10 years of experience in corporate management. She previously worked as the assistant to the chairman and the marketing director of Lianyungang Purun Building Material Co., Ltd (連雲港浦潤建材有限公司), a company mainly engaged in production of cement products and commercial ready-mixed concrete, production and sales of construction materials and construction of municipal roads, from December 2015 to October 2021. She has also been the general manager of Dujiangyan Meikangao Business Information Consulting Company (都江堰市美康奧商務信息諮詢部), a company mainly engaged in health counselling and sales of health products, from December 2021 to May 2024.

## Biographical Details of Directors and Senior Management

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Dr. Ip Wai Hung (“Dr. Ip”)**, aged 68, joined the Group on 1 September 2021, is the Adjunct Professor in the Faculty of Graduate and Postdoctoral Studies, Department of Mechanical Engineering at the University of Saskatchewan since March 2018, and is now senior research fellow in the Department of Industrial and Systems Engineering of the Hong Kong Polytechnic University. Dr. Ip received his Doctor of Philosophy degree from Loughborough University of Technology (U.K.), a Master degree in Business Administration from Brunel University (U.K.), a Master of Science degree in Industrial Engineering from Cranfield Institute of Technology, and a Bachelor degree in Laws from the University of Wolverhampton (U.K.). Since June 2018, Dr. Ip has been appointed as an independent non-executive director of Sheng Tong Holdings Limited (stock code: 8305), the shares of which are listed on GEM of the Stock Exchange of Hong Kong Limited. Since 28 February 2025, Dr. Ip has been appointed as independent non-executive director of Ying Kee Tea House Group Limited (stock code: 8241), the shares of which are also listed on GEM.

**Mr. Chan Wai Man (“Mr. Chan”)**, aged 60, joined the Group on 23 November 2007 and is a member of the Institute of Chartered Accountants in England and Wales and also a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Chan has experiences in auditing, taxation and finance. Mr. Chan is an independent and non-executive director of Luxking Group Holdings Limited which is listed in Singapore.

**Mr. Siu Hi Lam, Alick (“Mr. Siu”)**, aged 71, joined the Group on 2 February 2010, is the managing director of Fortune Take International Limited, a company engaging in providing financial consultancy services. Mr. Siu has worked in the finance and banking field for more than 25 years. Mr. Siu was the senior vice president of AIG Finance (Hong Kong) Limited and the vice president of Bank of America and responsible for business development and credit risk management. Mr. Siu holds a Master degree in Business Administration from the University of Hull in the U.K.. Mr. Siu was an independent non-executive director of Get Nice Holdings Limited (stock code: 64) from 1 September 2014 to 27 March 2023.

### SENIOR MANAGEMENT

**Mr. Jip Ki Chi (“Mr. Jip”)**, aged 56, joined the Group on 16 June 2014 and was appointed as the Chief Financial Officer and Company Secretary of the Company in September 2014. Mr. Jip is a fellow member of The Hong Kong Institute of Certified Public Accountant (“HKICPA”) and is a Certified Practising Accountant of CPA Australia (“CPA (Aust.)”). Mr. Jip graduated from Queensland University of Technology, Australia with a bachelor’s degree of business in accountancy in March 1994. Mr. Jip then graduated from University of Adelaide, Australia with a master degree in business administration in August 2008. Mr. Jip has a wealth of experience in account, finance, management and company secretarial field and is currently an independent non-executive director of Hebei Yichen Industrial Group Corporation Limited (Stock code: 1596). Mr. Jip was an independent non-executive director of China MeiDong Auto Holdings Limited (stock code: 1268) from November 2013 to November 2022.

# Directors' Report

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

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 20 to the consolidated financial statements.

## SEGMENT INFORMATION

An analysis of the Group's revenue and segment results by business segment and geographical segment for the year ended 31 December 2025 are set out in note 8 to the consolidated financial statements.

## RESULTS

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss on page 48. The Directors do not recommend the payment of a dividend for the year ended 31 December 2025 (31 December 2024: Nil).

## FIVE YEARS FINANCIAL HIGHLIGHTS

A summary of the results and the assets and liabilities of the Group for the last five financial periods is set out on page 140 of the annual report.

## BUSINESS REVIEW

### Principal Risks and Uncertainties

The Group's financial condition, results or operations, businesses and prospectus would be affected by a number of risks and uncertainties and a discussion of the principal risks and uncertainties facing the Group can be found in the management discussion and analysis section and the corporate governance report sections of this report.

### Media and entertainment businesses

During the year ended 31 December 2025, the total revenue from media and entertainment businesses was approximately HK\$123,457,000, which was 10.99% lower than that of the corresponding period of last year of approximately HK\$138,695,000. During the year, revenues were mainly derived from organisation of concert and other entertainment events, sponsorship income, and artiste management and performance, while offset by negative return on investments in concert, other entertainment event, film and TV drama production projects. The Group organised 17 concerts (2024: 12 concerts); invested 32 concerts (2024: 49 concerts); invested 1 drama (2024: 1 drama) during the year. While the number of concerts organised by the Group was increased during the current year, it recorded a decrease in revenue. It was mainly due to poor market performance of concerts invested or organised by the Group.

### Cremation and funeral services businesses

During the year ended 31 December 2024, cremation, funeral and related business operations recorded revenue of approximately HK\$10,204,000. The cremation and funeral services businesses was sold to an independent third party on 12 July 2024. The disposal was completed on 13 August 2024. Upon completion of disposal, the financial performance of the cremation and funeral services businesses will no longer be consolidated into the consolidated financial statements of the Group. Details of the disposal are set out in the announcements of the Company dated 12 July 2024 and 13 August 2024.

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the year ended 31 December 2025 is set out in note 17 to the consolidated financial statements.

## SHARE ISSUED IN THE YEAR

Details of the Company's shares issued during the year ended 31 December 2025 are set out in note 30 to the consolidated financial statements.

## Directors' Report

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2025.

### DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders comprised contributed surplus, share premium account and retained profit, if any. The Company had no retained profit available for distribution as at 31 December 2025.

### DIRECTORS

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

#### Executive Directors

Mr. Chong Cho Lam (resigned on 31 July 2025)  
 Mr. Dong Choi Chi, Alex (resigned on 26 January 2026)  
 Mr. Xiong Guorui (appointed on 26 January 2026)

#### Non-Executive Directors

Mr. Ma Xinying  
 Mr. Ye Chao (appointed on 3 December 2025)  
 Ms. Yuan Xiaomei

#### Independent Non-Executive Directors

Dr. Ip Wai Hung  
 Mr. Chan Wai Man  
 Mr. Siu Hi Lam, Alick

In accordance with Bye-law 84 of the Bye-laws of the Company, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.

Pursuant to Bye-law 83(2) of the Bye-laws of the Company, any director appointed by the Board to fill a casual vacancy on the Board shall hold office only until the first annual general meeting of the Company after his appointment, and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors of the Company has entered into a service contract with the Company for an initial term of two years from the date of appointment and is renewable automatically for successive terms of one year, until terminated by not less than three months' notice in writing served by either party.

Each of the non-executive Directors of the Company has entered into a service contract with the Company for an initial term of two years from the date of appointment and renewable automatically for successive terms of one year, unless terminated by either party giving one month's prior written notice.

Each of the independent non-executive Directors of the Company has entered into a service contract with the Company for an initial term of one year from the date of appointment and is renewable each year thereafter, until terminated by not less than one month's notice in writing served by either party.

Save as disclosed above, none of the Directors offering themselves for re-election at the forthcoming annual general meeting has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company had received, from each of the independent non-executive Directors, an annual confirmation of his independence pursuant to rule 5.09 of the GEM Listing Rules. The Company considers all of the independent non-executive Directors are independent.

## DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2025, the interests of the Directors and the chief executives and their associates in the shares, underlying shares and debentures of the Company and its associates, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the required standard of dealings by Directors of Listed Issuers as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

### Interests in shares and underlying shares of the Company

Number of ordinary shares and underlying shares beneficially held

#### Long positions

Name	Capacity	Note	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Percentage of issued share capital
Mr. Dong Choi Chi, Alex ("Mr. Dong")	Beneficial owner	1	532,589,428	20,900,000	553,489,428	20.94%
Mr. Ma Xinying	Beneficial owner		50,000,000	–	50,000,000	1.89%
Mr. Ye Chao	Beneficial owner		50,000,000	–	50,000,000	1.89%
Ms. Yuan Xiaomei	Beneficial owner		50,000,000	–	50,000,000	1.89%
Mr. Chan Wai Man	Beneficial owner	1	500,000	–	500,000	0.02%
Mr. Siu Hi Lam, Alick	Beneficial owner		700,000	–	700,000	0.03%

Note:

- For details of the underlying shares, please refer to the next section headed "Share Option Schemes" which stated all the details of share options granted to Directors.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations.

## SHARE OPTION SCHEMES

The shareholders of the Company approved the adoption of the share option schemes on 22 October 2001 (the "2001 Share Option Scheme"), 31 August 2011 (the "2011 Share Option Scheme"), 15 September 2021 (the "2021 Share Option Scheme") and 2 May 2024 (the "New Share Option Scheme") respectively. The 2001 Share Option Scheme, the 2011 Share Option Scheme and the 2021 Share Option Scheme were expired on 21 October 2011, 30 August 2021 and 2 May 2024 respectively. No further share options of the Company shall be granted under the 2001 Share Option Scheme, the 2011 Share Option Scheme and the 2021 Share Option Scheme thereafter. All outstanding share options granted under the 2001 Share Option Scheme were lapsed/cancelled during the year ended 31 December 2018.

The purpose of the New Share Option Scheme is to attract and retain the best available personnel of the Group, to provide additional incentive or rewards to the eligible option participants for the contribution or potential contribution to the Group, and to promote the success of the business of the Group. The New Share Option Scheme will give the eligible option participants an opportunity to have a personal stake in the Company and will help motivate the eligible option participants in optimising their performance and efficiency and attract and retain the eligible option participants whose contributions are important to the long-term growth and profitability of the Group.

Eligible option participants for the New Share Option Scheme include (a) employee participants including the directors and employees (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with the Group); and (b) service providers including persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any member of the Group.

## Directors' Report

The total number of shares issued and to be issued upon exercise of the options granted to each participant under share option scheme and any other share option schemes of the Company (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent of the shares of the Company in issue. Where any further grant of options to a participant would result in the securities issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent of the relevant class of securities in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his close associates (or his associates if the participant is a connected person) abstaining from voting.

Subject to the terms of the New Share Option Scheme, an option may be exercised in whole or in part at any time during the period to be determined and notified by the Directors to the grantee thereof at the time of making an offer provided that such period shall not exceed the period of ten years from the date of the grant of the particular option but subject to the provisions for early termination of the New Share Option Scheme.

The exercise of an option may be subject to the achievement of performance target and/or any other conditions to be notified by the Board to each participant, which the Board may in its absolute discretion determine.

Pursuant to the New Share Option Scheme, the participants may subscribe for the Shares on the exercise of an option at the price determined by the Board provided that it shall be at least the highest of (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date on which an option is offered to a participant, which must be a business date (the "Offer Date"); (b) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date; and (c) the nominal value of a share on the Offer Date.

The maximum number of Shares which may be issued under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme. As such, the total number of Shares available for issue under the New Share Option Scheme would be 209,601,567 Shares, representing approximately 7.87% of the issued share capital of the Company as at the date of the 2025 Annual Report. A consideration of HK\$1.00 is payable on acceptance of the grant of an option within such time as may be specified in the offer (which shall not be later than 21 days from the Offer Date).

As at 31 December 2025, a total of 48,170,000 share options were remained outstanding, representing approximately 1.81% of the issued share of the Company as at date of this report. No participant was granted with share options in excess of the individual limit as set out in the New Share Option Scheme. Further details of the New Share Option Scheme are set out in note 33 to the consolidated financial statement.

Subsequent to the end of the reporting period, the shareholders of the Company passed an ordinary resolution at the special general meeting held on 2 April 2026 to approve the refreshment of the scheme mandate limit under the Share Award Scheme and the New Share Option Scheme up to 10% of the total number of shares in issue (excluding treasury shares) as at the date of passing of the relevant resolution.

Following such refreshment, the Company may grant options and awards in respect of up to 266,377,567 shares, representing 10% of the total number of shares in issue as at 2 April 2026.

During the year ended 31 December 2025, no share options have been granted under the New Share Option Scheme.

The number of share options and share awards available for grant under the scheme mandate limit as of 1 January 2025 and 31 December 2025 was 209,601,567. The service provider sublimit under the scheme mandate limit as of 1 January 2025 and 31 December 2025 was 20,960,156.

## Directors' Report

Movements of the share options granted by the Company pursuant to the New Share Option Scheme during the year ended 31 December 2025 were as follows:

	Number of share options					Outstanding and exercisable as at 31 December 2025	Date of grant	Exercise period	Vesting Period	Exercise price per share	Closing share price immediately before the date of grant
	Outstanding as at 1 January 2025	Granted during the period	Exercised during the period	Cancelled during the period	Forfeited/lapsed during the period						
<b>Category 1: Director</b>											
Mr. Chan Wai Man	1,000,000	-	(1,000,000)	-	-	-	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Mr. Dong (resigned as an executive Director on 26 January 2026)	20,900,000	-	-	-	-	20,900,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Sub total	21,900,000	-	(1,000,000)	-	-	20,900,000					
<b>Category 2: Employees/consultants</b>											
Employees	3,185,000	-	-	-	-	3,185,000	12 July 2019	12 July 2019 – 11 July 2029	Vested on date of grant	HK\$0.581	HK\$0.720
Consultants	3,185,000	-	-	-	-	3,185,000	12 July 2019	12 July 2019 – 11 July 2029	Vested on date of grant	HK\$0.581	HK\$0.720
Consultants	64,337,000	-	-	-	(64,337,000)	-	12 April 2021	12 April 2022 – 11 April 2025	Vested one year after date of grant	HK\$0.232	HK\$0.280
Employees	41,800,000	-	(20,900,000)	-	-	20,900,000	13 Oct 2022	13 Oct 2022 – 12 Oct 2032	Vested on date of grant	HK\$0.029	HK\$0.027
Sub total	112,507,000	-	(20,900,000)	-	(64,337,000)	27,270,000					
Total of all categories	134,407,000	-	(21,900,000)	-	(64,337,000)	48,170,000					

During the year ended 31 December 2025, 21,900,000 share options were exercised. The weighted average closing price of the Company's shares immediately before the dates on which the share options were exercised was HK\$0.083.

There were 64,337,000 share options forfeited/lapsed during the year ended 31 December 2025.

The New Share Option Scheme will remain valid and effective for a period of 10 years commencing from 7 May 2024, which was the date of adoption of the New Share Option Scheme.

## Directors' Report

### SHARE AWARD SCHEMES

The share award scheme (the "Share Award Scheme") was approved by the shareholders of the Company and on 2 May 2024 and was adopted on 7 May 2024. The major terms of the Share Award Scheme are as follows:

The Share Award Scheme will be valid and effective for a period of ten years commencing from 7 May 2024, which was the date of adoption of the Share Award Scheme. The purposes of the Share Award Scheme are (a) to recognise the contributions by certain employees and persons to the Group; (b) to provide the eligible award participants with additional incentives in order to retain them for the continual operation and development of the Group; and (c) to attract suitable personnel for further development of the Group.

Eligible award participants under the Share Award Scheme include (a) the employee participants including the directors and employees (whether full-time or part-time) of any member of the Group (including persons who are granted awards under the Share Award Scheme as inducement to enter into employment contracts with the Group); and (b) service providers (the "Service Providers") including persons who provide services to any members of the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, which include any independent distributor, contractor, supplier, agent, consultant or adviser to any member of the Group.

The maximum number of shares that may be granted under the Share Award Scheme and any other share schemes of the Company must not, in aggregate, exceed 10% of the issued shares of the Company as at the date of approval the Share Award Scheme. As such, the total number of shares available for issue under the Share Award Scheme would be 209,601,567 shares, representing approximately 7.87% of the issued share of the Company as at the date of the 2025 Annual Report.

The maximum number of shares that may be issued in respect of all awarded shares which may be granted at any time under the Share Award Scheme together with options and awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not exceed such number of shares as equals to 1% of the issued share capital of the Company as at the adoption date (the "Service Provider Sublimit"). Save as the Service Provider Sublimit, there is no limitation on the maximum entitlement of each participant under the Share Award Scheme.

Subsequent to the end of the reporting period, the shareholders of the Company passed ordinary resolutions at the special general meeting held on 2 April 2026 to approve among other matters (i) the refreshment of the scheme mandate limit under the Share Award Scheme and the New Share Option Scheme up to 10% of the total number of shares in issue (excluding treasury shares) as at the date of passing of the relevant resolution, and (ii) the refreshment of the service provider sublimit up to 1% of the total number of shares in issue (excluding treasury shares) as at the date of passing of the relevant resolution. Following such refreshment, the Company may grant options and awards in respect of up to 266,377,567 shares, representing 10% of the total number of shares in issue as at 2 April 2026.

An award must be held by the trustee for at least twelve months before the awarded shares can be vested in the grantee (the "Vesting Period"). However, the Board may at its discretion grant a shorter Vesting Period to an employee participant in certain circumstances.

## Directors' Report

Movements of the awarded shares granted by the Company pursuant to the Share Award Scheme during the year ended 31 December 2025 were as follows:

	Number of award shares					Purchase price	Held at 31 December 2025	Closing price immediately before the date of grant	Grant date	Vesting period/performance target
	Held at 1 January 2025	Granted during the year	Vested during the year	Cancelled during the year	Lapsed during the year					
Dong Choi Chi, Alex	-	60,000,000	(15,000,000)	-	(45,000,000)	-	-	0.070	30 May 2025	(1) 5,000,000 shares if the aggregate net profit attributable to Sunny Side Up Entertainment Asia Limited ("Sunny Side Up") and Bookyay Ltd ("Bookyay") is not less than HK\$1,000,000 for the financial year ended 31 December 2023, 31 December 2024 and 31 December 2025 respectively; (2) 5,000,000 shares if 60% of the net profit attributable to Incubase Studio Limited ("Incubase") is not less than HK\$1,000,000 for the financial year ended 31 December 2023, 31 December 2024 and 31 December 2025 respectively; (3) 5,000,000 shares if the net profit attributable to Pet It Go Limited ("Pet It Go") is not less than HK\$1,000,000 for the financial year ended 31 December 2023, 31 December 2024 and 31 December 2025 respectively and (4) 5,000,000 shares if 80% of the net profit attributable to Rising Sun Entertainment Limited ("Rising Sun") is not less than HK\$1,000,000 for the financial year ending 31 December 2023, 31 December 2024 and 31 December 2025 respectively
Employees	-	306,000,000	(69,000,000)	-	(197,000,000)	-	40,000,000	0.070	30 May 2025	(1) 13,000,000, 33,000,000, 63,000,000 and 20,000,000 shares if the aggregate net profit attributable to Sunny Side Up and Bookyay is not less than HK\$1,000,000 for the financial year ended 31 December 2023, 31 December 2024, 31 December 2025 and 31 December 2026 respectively; (2) 23,000,000 shares if 60% of the net profit attributable to Incubase is not less than HK\$1,000,000 for the financial year ended 31 December 2023, 31 December 2024 and 31 December 2025 respectively; (3) 13,000,000, 13,000,000 and 43,000,000 shares if 80% of the net profit attributable to Rising Sun is not less than HK\$1,000,000 for the financial year ending 31 December 2025; and (4) 13,000,000 shares if the net profit attributable to Pet It Go is not less than HK\$1,000,000 for the financial year ended 31 December 2023, 31 December 2024 and 31 December 2025 respectively
Service providers <sup>1</sup>	-	90,000,000	-	-	-	-	90,000,000	0.070	30 May 2025	(1) 10,000,000 shares if the net profit attributable to Pet It Go is not less than HK\$1,000,000 for the financial year ended 31 December 2024, 31 December 2025 and 31 December 2026 respectively; and (2) 60,000,000 shares if the aggregate net profit attributable to Sunny Side Up and Bookyay is not less than HK\$3,000,000 for a period of 3 years from 1 July 2023 to 30 June 2026
Service providers <sup>1</sup>	-	120,000,000	(20,960,000)	-	(90,000,000)	-	9,040,000	0.121	10 October 2025	120,000,000 shares to be allotted and issued by the Company to the service provider if the target profit achieved is not less than HK\$3,000,000 on or before 16 March 2025
	-	576,000,000	(104,960,000)	-	(332,000,000)	-	139,040,000			

Note:

(1) Service provider means non-employee consultants of the Group.

The weighted average closing price of the Company's share immediately before the dates on which the awards were vested was HK\$0.080. Further details of the Share Award Scheme are set out in note 33 to the consolidated financial statements.

## Directors' Report

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

As at 31 December 2025, the following shareholders (including Directors) had interests or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO") and Section 336 of the SFO, were as follows:

Number of ordinary shares and underlying shares beneficially held

Name	Capacity	Number of shares and underlying shares	Long/short position	Percentage of issued share capital
Mr. Dong	Beneficial owner	553,489,428	Long	20.94%
Chen Pu	Beneficial owner	332,000,000	Long	12.56%
Albula Investment Fund Ltd	Beneficial owner	105,120,000	Long	5.02%

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person who had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and Section 336 of the SFO, or who had interests of 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the aggregate sales attributable to the Group's five largest customers accounted for less than 30% of the Group's total sales and the aggregate purchases from the Group's five largest suppliers accounted for less than 30% of the Group's total purchases.

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

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the share option schemes and the share award schemes disclosed above, at no time during the year ended 31 December 2025 was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 36 to the consolidated financial statement, no contract of significance, to which the Company, its holding company, fellow subsidiaries or subsidiaries 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 ended 31 December 2025 or at any time during the year.

## CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Group did not enter into any connected transaction, but had the following continuing connected transactions, details of which had been disclosed in compliance with the requirements of Chapter 20 of the GEM Listing Rules:

### Master Services Agreement

On 21 December 2023, Incubase Studio Limited ("Incubase"), an indirect non-wholly owned subsidiary of the Company, and Incubase Studio Asia Limited ("ISAL") entered into the master services agreement (the "Master Services Agreement").

Pursuant to the Master Services Agreement, ISAL has agreed to engage Incubase for the provision of the events and exhibitions organization and production services. The Master Services Agreement took effect on 21 December 2023 and shall remain effective until 31 December 2025 inclusive.

Incubase is an indirect non-wholly owned subsidiary of the Company which the Company and Mr. Yip are the ultimate beneficial owners of 60% shares and 2% shares in Incubase respectively. Mr. Yip is (i) the director of Incubase; and (ii) the sole beneficial owner and director of ISAL. ISAL is a connected person at the subsidiary level of the Company under Chapter 20 of the GEM Listing Rules. Hence, the transactions contemplated under the Master Services Agreement constitute continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

The annual cap of the transaction under the Master Services Agreement for the three financial years ending 31 December 2023, 31 December 2024 and 31 December 2025 are HK\$3,000,000, HK\$15,000,000 and HK\$15,000,000 respectively.

During the year ended 31 December 2025, the total transaction amounts of the Service income from ISAL under the Master Services Agreement was HK\$2,320,000.

The independent non-executive Directors of the Company have conducted annual review on the above continuing connected transactions and confirmed that such continuing connected transactions, for the reporting period, have been entered into: (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favorable to the Group than terms available to or from (as appropriate) independent third parties; and (iii) in accordance with the relevant agreements governing such transactions and on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

## Directors' Report

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information and with reference to Practice Note 740 (Revised) Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Based on the work performed, the auditor has confirmed in a letter to the Board that:

- (a) nothing has come to the attention of the auditor that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (b) for the Master Services Agreement which involves the provision of goods or services by the Group, nothing has come to auditor's attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (c) nothing has come to the attention of the auditor that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (d) nothing has come to the attention of the auditor that causes them to believe that the disclosed continuing connected transactions have exceeded the annual caps set by the Company.

## RELATED PARTY TRANSACTIONS

A summary of the related party transactions undertaken by the Group during the year ended 31 December 2025 is set out in note 36 to the financial statements. Such related party transactions did not constitute connected transactions of the Group under Chapter 20 of the GEM Listing Rules.

## RETIREMENT BENEFITS SCHEMES

Details of the retirement benefits schemes are set out in note 4 to the consolidated financial statements.

## MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year ended 31 December 2025.

## DIRECTOR'S INTERESTS IN COMPETING BUSINESS

Mr. Dong Choi Chi, Alex, was executive Director of the Company, is the sole owner and director of Aurora Entertainment Holdings Limited, which together with its subsidiaries, including Sun Entertainment Culture Limited, are principally engaged in investment holding, artiste and model management, entertainment, publishing and film and concert production and coordination. He is also the sole owner and director of Accela Group Limited, which together with its subsidiaries, including Accela Entertainment Limited, are principally engaged in the entertainment, concert co-ordination and production, publishing, music production and artiste management. He is also the sole owner and director of Art Portal Studio Limited, which is engaged in arts and culture related investments and management. He is a substantial shareholder and director of Beamco HK Limited, which is engaged in online music platform, music distribution, event organization and management. Therefore, he is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group in the media and entertainment industry (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules).

## Directors' Report

Mr. Chong Cho Lam, was executive Director of the Company, is a substantial shareholder and the managing director of Chessman Entertainment Production Company Limited, which is principally engaged in concert co-ordination and production, advertising design and market planning, original music, record production and distribution, public relations and artiste management in Macau. He is a substantial shareholder and director of Chessman Entertainment Production (HK) Limited, which is engaged in advertising production, project planning consultation, design, publishing, entertainment production and promotion. He is also a substantial shareholder and director of Chessman Management and Investment Company Limited, which is engaged in entertainment related investments and management in Macau. He is also a substantial shareholder of Good Media Production Company Limited which is engaged in film production and filming, music production, advertising production, original music, web design, publication publishing and media in Macau. He is also a substantial shareholder of Easy Music Production Company Limited which is engaged in record distribution, artiste management, music producer management, band management, musician management, concert production and music production in Macau. Therefore, he is considered to have interest in the business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group in the media and entertainment industry (as would be required to be disclosed under Rule 11.04 of the GEM Listing Rules).

Save as disclosed above, the Directors are not aware of any business or interest of each of the Directors, management shareholders (as defined in the GEM Listing Rules) and their respective associates that competes or may compete with business of the Group or any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2025.

### EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

A remuneration committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management having regard to the Group's operating results, individual performance and comparable market practices.

The Company has adopted the New Share Option Scheme and the Share Award Scheme as an incentive to directors and eligible employees, details of the schemes are set out in note 33 to the consolidated financial statements.

### PRE-EMPTIVE RIGHTS

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

### PERMITTED INDEMNITY PROVISION

The Bye-laws of the Company provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of the Directors.

A Director's and Officers Liability Insurance is in place to protect the Directors against potential costs and liabilities arising from claims brought against the Directors.

### EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2025, save as disclosed in the sections headed "Share Option Schemes" and "Share Award Schemes" of this report and in note 33 to the consolidated financial statement, the Company has not entered into any equity-linked agreement, nor did any equity linked agreement subsist at the end of the year.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company maintained the allowable lower minimum prescribed public float under the GEM Listing Rules and shall comply with the public float requirement under Rule 11.23 of the GEM Listing Rules as stipulated under Rule 17.38A of the GEM Listing Rules.

### DONATIONS

During the year ended 31 December 2025, the Group made charitable and other donations amounting to approximately HK\$5,600 (2024: HK\$43,000).

### AUDITOR

Ernst & Young has resigned as the auditor of the Company with effect from 15 December 2023 and ZHONGHUI ANDA CPA Limited has been appointed as the auditor of the Company with effect from the same date. Save as disclosed above, there has been no other change of auditors of the Company in any of the preceding three years.

The consolidated financial statements of the Company for the year ended 31 December 2025, 31 December 2024 and 31 December 2023 have been audited by ZHONGHUI ANDA CPA Limited who retire and being eligible, offer themselves for re-appointment at the forthcoming AGM of the Company.

On behalf of the Board

**Chan Wai Man**

*Independent non-executive Director*

31 March 2026

# Independent Auditor's Report



## TO THE SHAREHOLDERS OF QING HUA HOLDING GROUP COMPANY LIMITED (FORMERLY KNOWN AS SUNNY SIDE UP CULTURE HOLDINGS LIMITED)

擎華控股集團有限公司 (前稱 光尚文化控股有限公司)

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

### OPINION

We have audited the consolidated financial statements of Qing Hua Holding Group Company Limited (formerly known as Sunny Side Up Culture Holdings Limited) (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 48 to 139, which comprise the consolidated statement of financial position as at 31 December 2025, and consolidated statement of profit or loss and other 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 (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

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

### MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2 to the consolidated financial statements which mentions that the Group incurred a loss attributable to owners of the Company of approximately HK\$49,206,000 for the year ended 31 December 2025 and, as at 31 December 2025, the Group had current liabilities and net liabilities of approximately HK\$38,909,000 and HK\$36,689,000, respectively. Besides, the Group had a net operating cash outflow of approximately HK\$34,617,000 for the year ended 31 December 2025. These conditions indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 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.

### Impairment assessment for trade and other receivables

Refer to Notes 24 and 25 to the consolidated financial statements.

The Group tested the amount of trade and other receivables for impairment. This impairment test is significant to our audit because the carrying amount of trade and other receivables of HK\$15,133,000 and HK\$8,996,000, respectively are material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on assumptions and estimates.

Our audit procedures, where applicable, included, among others:

- Obtaining an understanding of the assessment process of expected credit loss of trade and other receivables;
- Assessing whether trade and other receivables had been appropriately grouped by management based on their shared credit risk characteristics;
- Testing the accuracy of the aging of trade and other receivables on a sample basis;
- Assessing the competence, independence and integrity of the external valuer engaged by client;
- Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade and other receivables is supported by the available evidence.

## Independent Auditor's Report

### Fair value measurement of investments in concert, other entertainment event, film and TV drama production projects

Refer to Note 23 to the consolidated financial statements.

The Group measured its investments in concert, other entertainment event, film and TV drama production projects at fair value with the changes in fair value recognised in the consolidated profit or loss. This fair value measurement is significant to our audit because the carrying amount of investments in concert, other entertainment event, film and TV drama production projects of HK\$10,713,000 as at 31 December 2025 is material to the consolidated financial statements. In addition, the Group's fair value measurement involves application of judgement and is based on assumptions and estimates.

Our audit procedures included, among others:

- Assessing the competence, independence and integrity of the external valuer engaged by Company;
- Obtaining the external valuation reports and meeting with the external valuer to discuss and challenge the valuation process, methodologies used and market evidence to support significant judgments and assumptions applied in the valuation model;
- Checking key assumptions and input data in the valuation model to supporting evidence;
- Checking arithmetical accuracy of the valuation model; and
- Assessing the disclosure of the fair value measurement in the consolidated financial statements.

We consider that the Group's fair value measurement of investments in concert, other entertainment event, film and TV drama production projects is supported by the available evidence.

### OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

### **ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

#### **Yeung Hong Chun**

Audit Engagement Director

Practising Certificate Number P07374

Hong Kong, 31 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	9	<b>123,457</b>	148,899
Cost of sales		<b>(118,899)</b>	(81,103)
Gross profit		<b>4,558</b>	67,796
Other income and gains	10	<b>1,233</b>	1,656
Selling, marketing and distribution expenses		<b>(1,772)</b>	(5,690)
General and administrative expenses		<b>(48,138)</b>	(68,520)
Other expenses, net	13	<b>(2,854)</b>	(18,408)
Finance costs	11	<b>(4,115)</b>	(2,176)
Share of losses of joint ventures		<b>(24)</b>	(560)
LOSS BEFORE TAX		<b>(51,112)</b>	(25,902)
Income tax credit/(expense)	12	<b>102</b>	(1,894)
LOSS FOR THE YEAR	13	<b>(51,010)</b>	(27,796)
OTHER COMPREHENSIVE LOSS:			
<i>Items that may be reclassified to profit or loss:</i>			
Realisation of foreign currency translation reserves from deregistration/disposal of subsidiaries		<b>(122)</b>	1,382
Exchange differences on translation of foreign operations		<b>362</b>	(589)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<b>(50,770)</b>	(27,003)
LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		<b>(49,206)</b>	(26,137)
Non-controlling interests		<b>(1,804)</b>	(1,659)
		<b>(51,010)</b>	(27,796)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		<b>(48,966)</b>	(25,256)
Non-controlling interests		<b>(1,804)</b>	(1,747)
		<b>(50,770)</b>	(27,003)
Basic and diluted loss per share (HK cents)	16	<b>(1.92)</b>	(1.10)

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	17	269	387
Right-of-use assets	18	437	823
Intangible assets	19	493	2,286
Investments in joint ventures	21	1,238	1,300
Investments in an associate	22	–	–
<b>Total non-current assets</b>		<b>2,437</b>	4,796
<b>CURRENT ASSETS</b>			
Investments in concert, other entertainment event, film and TV drama production projects	23	10,713	41,123
Trade receivables	24	15,133	10,407
Prepayments, deposits and other receivables	25	15,429	23,950
Cash and cash equivalents	26	40,037	43,273
<b>Total current assets</b>		<b>81,312</b>	118,753
<b>CURRENT LIABILITIES</b>			
Trade payables, other payables, accruals and other financial liabilities	27	54,591	72,245
Other borrowings	28	65,000	35,000
Lease liabilities	29	235	699
Income tax payables		395	1,358
<b>Total current liabilities</b>		<b>120,221</b>	109,302
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<b>(38,909)</b>	9,451
<b>Total assets less current liabilities</b>		<b>(36,472)</b>	14,247

**Consolidated Statement of Financial Position**

As at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	29	217	165
<hr/>			
Total non-current liabilities		217	165
<hr/>			
Net (liabilities)/assets		(36,689)	14,082
<hr/>			
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Issued capital	30	66,072	62,900
Reserves	32	(97,189)	(44,612)
<hr/>			
		(31,117)	18,288
Non-controlling interests		(5,572)	(4,206)
<hr/>			
Total equity		(36,689)	14,082
<hr/>			

The consolidated financial statements on pages 48 to 139 were approved and authorised for issue by the Board of Directors on 31 March 2026 and signed on its behalf by:

**Chan Wai Man**  
*Director*

**Siu Hi Lam, Alick**  
*Director*

# Consolidated Statement of Changes In Equity

For the year ended 31 December 2025

	Notes	Attributable to owners of the Company									
		Issued capital HK\$'000	Share premium HK\$'000	Contributed surplus HK\$'000	Exchange fluctuation reserve HK\$'000	Share-based payment reserve HK\$'000	Shares held under share award scheme HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 January 2024		52,400	445,446	31,713	(1,419)	18,148	(391)	(516,884)	29,013	2,392	31,405
Loss for the year		-	-	-	-	-	-	(26,137)	(26,137)	(1,659)	(27,796)
Other comprehensive loss for the year:											
Realisation of foreign currency translation reserves from disposal of subsidiaries	35(d)	-	-	-	1,382	-	-	-	1,382	-	1,382
Exchange differences on translation of foreign operations		-	-	-	(501)	-	-	-	(501)	(88)	(589)
Total comprehensive loss for the year		-	-	-	881	-	-	(26,137)	(25,256)	(1,747)	(27,003)
Equity-settled share-based payments expense	33	-	-	-	-	343	-	-	343	-	343
Issue of shares	30	10,475	4,497	-	-	-	-	-	14,972	-	14,972
Exercise of share options	30	25	19	-	-	(15)	-	-	29	-	29
Transfer of share-based payment reserve upon the cancellation/lapse/forfeiture of share options		-	-	-	-	(4,232)	-	4,232	-	-	-
Disposal of subsidiaries	35(d)	-	-	-	-	-	-	-	-	(5,664)	(5,664)
Purchase of non-controlling interests	35(b)	-	-	-	-	-	-	(813)	(813)	813	-
At 31 December 2024 and 1 January 2025		62,900	449,962*	31,713*	(538)*	14,244*	(391)*	(539,602)*	18,288	(4,206)	14,082
Loss for the year		-	-	-	-	-	-	(49,206)	(49,206)	(1,804)	(51,010)
Other comprehensive loss for the year:											
Realisation of foreign currency translation reserves from deregistration of subsidiaries		-	-	-	(122)	-	-	-	(122)	-	(122)
Exchange differences on translation of foreign operations		-	-	-	362	-	-	-	362	-	362
Total comprehensive loss for the year		-	-	-	240	-	-	(49,206)	(48,966)	(1,804)	(50,770)
Equity-settled share-based payments credit	33	-	-	-	-	(637)	-	-	(637)	-	(637)
Issue of share according to share award scheme	30	2,624	462	-	-	(3,086)	-	-	-	-	-
Exercise of share options	30	548	435	-	-	(347)	-	-	636	-	636
Transfer of share-based payment reserve upon the cancellation/lapse/forfeiture of share options		-	-	-	-	(7,181)	-	7,181	-	-	-
Purchase of non-controlling interests	35(b)	-	-	-	-	-	-	(438)	(438)	438	-
<b>At 31 December 2025</b>		<b>66,072</b>	<b>450,859*</b>	<b>31,713*</b>	<b>(298)*</b>	<b>2,993*</b>	<b>(391)*</b>	<b>(582,065)*</b>	<b>(31,117)</b>	<b>(5,572)</b>	<b>(36,689)</b>

\* These reserve accounts comprise the consolidated deficit of HK\$97,189,000 (2024: HK\$44,612,000) in the consolidated statement of financial position.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	<b>(51,112)</b>	(25,902)
Adjustments for:		
Amortisation of deferred income	–	(445)
Amortisation of intangible assets	<b>223</b>	223
Depreciation of property, plant and equipment	<b>247</b>	1,872
Depreciation of right-of-use assets	<b>749</b>	1,128
Equity-settled share-based payments expense	<b>(637)</b>	343
Finance costs	<b>4,115</b>	2,176
Gain on early termination of right-of-use assets	<b>(2)</b>	–
(Reversal of impairment)/impairment of other receivables, net	<b>(307)</b>	1,398
(Gain)/loss on disposal/write-off of property, plant and equipment	<b>(328)</b>	1,141
Loss on disposal of subsidiaries	<b>370</b>	9,595
Loss on deregistration of subsidiaries	<b>111</b>	–
Impairment/(reversal of impairment) of trade receivables, net	<b>725</b>	(1,929)
Share of loss of joint ventures	<b>24</b>	560
Operating loss before changes in working capital	<b>(45,822)</b>	(9,840)
Change in inventories	–	30
Change in trade receivables	<b>(5,451)</b>	1,240
Change in prepayments, deposits and other receivables	<b>8,828</b>	(3,268)
Change in investments in concert, other entertainment event, film and TV drama production projects	<b>30,410</b>	8,781
Change in trade payables, other payables, accruals and other financial liabilities	<b>(21,721)</b>	32,389
Cash (used in)/generated from operations	<b>(33,756)</b>	29,332
Income tax paid	<b>(861)</b>	(1,009)
Net cash (used in)/generated from operating activities	<b>(34,617)</b>	28,323

## Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment		(122)	(921)
Proceeds from disposal of property, plant and equipment		328	201
Disposal of subsidiaries	35(c) & (d)	1,200	(1,110)
Repayment from a joint venture		38	515
Net cash generated from/(used in) investing activities		<b>1,444</b>	(1,315)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		–	14,972
Proceeds from exercise of share options		636	29
Borrowing interest paid		(5)	(585)
Proceeds from other borrowings		33,000	10,572
Repayment for other borrowings		(3,000)	(40,288)
Payments for lease liabilities		(775)	(1,202)
Payments for lease interests		(43)	(70)
Net cash generated from/(used in) financing activities		<b>29,813</b>	(16,572)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of the year		43,273	33,308
Effect of foreign exchange rate changes		124	(471)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>40,037</b>	43,273
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents		<b>40,037</b>	43,273

# Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 1. GENERAL INFORMATION

Qing Hua Holding Group Company Limited (formerly known as Sunny Side Up Culture Holdings Limited) (the “Company”) was incorporated in the Cayman Islands on 12 July 2001 and continued in Bermuda as an exempted company with limited liability under the laws of Bermuda.

The Company’s shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is located at 17th Floor, Fun Tower, 35 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

Pursuant to a special resolution passed at an annual general meeting of the Company during the year, the English name of the Company was changed from Sunny Side Up Culture Holdings Limited to Qing Hua Holding Group Company Limited and the Chinese name was changed from “光尚文化控股有限公司” to “擎華控股集團有限公司”.

During the year, the Group was primarily involved organisation/production of and investments in concert, other entertainment event, film and TV drama production projects, and other media and entertainment related businesses.

## 2. GOING CONCERN BASIS

The Group incurred a loss attributable to owners of the Company of approximately HK\$49,206,000 for the year ended 31 December 2025 and, as at 31 December 2025, the Group had net current liabilities and net liabilities of HK\$38,909,000 and HK\$36,689,000, respectively. Besides, the Group had a net operating cash outflow of approximately HK\$34,617,000 for the year ended 31 December 2025. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

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

- (i) A major subsidiary’s director has agreed to provide adequate funds for the Group to meet its liabilities as they fall due;
- (ii) The Group will actively negotiate with various potential investors or lenders to secure new financing arrangement to meet the Group’s working capital and financial requirements in the near future. The Group will also actively seek opportunities to carry out fund raising activities including but not limited to the placing of new shares of the Company or rights issue as alternative sources of funding; and

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***2. GOING CONCERN BASIS (continued)**

- (iii) The Group has been endeavouring to improve the Group's operating performance and cash flows through cost control measures and working capital management to maintain sufficient liquidity.

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

However, should the above measures not be able to implement successfully, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to reduce the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities, respectively, and to provide for any further liabilities which might arise.

**3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS**

In the current year, the Group has adopted all the new and revised HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised HKFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRS Accounting Standards but is not yet in a position to state whether these new and revised HKFRS Accounting Standards would have a material impact on its results of operations and financial position.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments which are carried at their fair values.

The preparation of consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors of the Company to exercise their judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 5 to the consolidated financial statements.

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

#### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Consolidation** (continued)

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

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

**Business combination and goodwill**

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### **Business combination and goodwill** (continued)

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

#### **Associates**

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Associates** (continued)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

**Joint arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Relevant activities are activities that significantly affect the returns of the arrangement. When assessing joint control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has joint control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

A joint arrangement is either a joint operation or a joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### Joint arrangements (continued)

In relation to its interest in a joint operation, the Group recognises in its consolidated financial statements, its assets, including its share of any assets held jointly; its liabilities, including its share of any liabilities incurred jointly; its revenue from the sale of its share of the output arising from the joint operation; its share of the revenue from the sale of the output by the joint operation; and its expenses, including its share of any expenses incurred jointly, in accordance with the HKFRS Accounting Standards applicable to the particular assets, liabilities, revenues and expenses.

Investment in a joint venture is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the joint venture in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of a joint venture's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of a joint venture that results in a loss of joint control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that joint venture and (ii) the Group's share of the net assets of that joint venture plus any remaining goodwill relating to that joint venture and any related accumulated foreign currency translation reserve. If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Joint arrangements** (continued)

Unrealised profits on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

**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 Hong Kong dollars ("HK\$"), which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group. The directors of the Company consider that choosing HK\$ as the presentation currency best suits the needs of the shareholders and investors.

**(b) Transactions and balances in each entity's financial statements**

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### Foreign currency translation (continued)

##### (c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (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 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 exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

#### Property, plant and equipment

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

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

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

Buildings	3.3% to 10%
Leasehold improvements	20%
Machinery and equipment	5% to 10%
Furniture and office equipment	20% to 33.3%
Motor vehicles	10% to 33.3%

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Property, plant and equipment (continued)**

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

**Licence right**

Purchased licence right is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

**Operating rights**

Separately acquired operating rights are stated at cost less any impairment losses. Operating rights acquired in a business combination are recognised at fair value at the acquisition date. Operating rights with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such operating rights are not amortised. The useful life of an operating right with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

**Club membership**

Club membership with an indefinite useful life is stated at cost less accumulated impairment losses, if any. Club membership which is intended to be held on a continuing basis is classified as a non-current asset.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### Leases

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal annual rates are as follows:

Equipment	5 years
Properties	1 to 2 years

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below US\$5,000.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Financial assets**

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as under the following categories:

- Financial assets at amortised cost; and
- Investments at fair value through profit or loss.

**(a) *Financial assets at amortised cost***

Financial assets are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

**(b) *Investments at fair value through profit or loss***

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### Loss allowances for expected credit losses

The Group recognises an allowance for expected credit losses (“ECLs”) on financial assets at amortized cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### *General approach*

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

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

When defining default for the purposes of determining the risk of a default occurring, the Group applies a default definition that is consistent with the definition used for internal credit risk management purposes for the relevant financial instrument and consider qualitative indicators when appropriate. In particular, notwithstanding there is a rebuttable presumption that a financial asset is in default when contractual payments are certain specific days past due, the Group generally considers it has reasonable and supportable information, including, but not limited to, the Group’s credit risk control practices and the historical recovery rate of financial assets over certain days past due, to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Loss allowances for expected credit losses (continued)****General approach (continued)**

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

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

**Simplified approach**

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group recognises lifetime ECLs for trade receivables and measures the lifetime ECLs on a specific basis according to management's assessment of the recoverability of an individual receivable. Management considers the number of days that an individual receivable is outstanding, historical experience and forward-looking information to determine the recoverability of the trade receivable.

The Group measures ECLs in a way that reflects: (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; (b) the time value of money; and (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

**Financial liabilities and equity instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss are initially recognised at fair value.

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Financial liabilities at fair value through profit or loss (continued)**

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in HKFRS 9 are satisfied. The Group may, at initial recognition, irrevocably designate a financial liability as measured at fair value through profit or loss when permitted under certain embedded derivative provisions of HKFRS 9, or when doing so results in more relevant information, because either: (a) it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or (b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel. Gains or losses on liabilities designated at fair value through profit or loss are recognised in the consolidated statement of profit or loss, except for the gains or losses arising from the Group's own credit risk which are presented in other comprehensive income with no subsequent reclassification to the consolidated statement of profit or loss. The net fair value gain or loss recognised in the consolidated statement of profit or loss does not include any interest charged on these financial liabilities.

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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 reporting period.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**Trade and other payables**

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

**Equity instruments**

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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

#### Revenue from other sources

Cremation services income subsidised by the local government is recognised when the relevant services are rendered and there are no unfulfilled condition or contingencies relating to the subsidies.

Investments in concert, other entertainment event, film and TV drama production projects are measured at fair value through profit or loss with gain or loss arising from net changes in fair value of such financial instruments recognised as revenue from other sources in the consolidated statement of profit or loss.

#### Other revenue

Interest income is recognised using the effective interest method.

Service fee income in respect of services/arrangements provided over a certain period is generally recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group under the arrangement.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Employee benefits****(a) Employee leave entitlements**

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

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

**(b) Pension obligations**

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. There is no forfeited contribution that may be used by the Group to reduce the existing levels of contributions.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

**(c) Termination benefits**

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

**Shares held under share award schemes**

Own equity instruments which are reacquired and held by the Company or the Group are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Share-based payments**

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

The Group issues equity-settled share-based payments to certain directors, employees and consultants.

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

Equity-settled share-based payments to consultants are measured at the fair value of the services rendered or if the fair value of the services rendered cannot be reliably measured, at the fair value of the equity instruments granted. The fair value is measured at the date the Group receives the services and is recognised as an expense.

For cash-settled share-based payments, the Group measures the goods or services acquired and the liability incurred at the fair value of the liability. At the end of each reporting period, the liability is remeasured at its fair value until the liability is settled, with any changes in fair value recognised in profit or loss.

The Group also provides employees with the ability to purchase the Company's ordinary shares at a discount to the current market value. The Group records an expense, based on the fair value of the discount related to shares expected to vest (taking in account the post vesting transfer restrictions), on a straight-line basis over the vesting period.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Borrowing costs**

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 capitalised as part of 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.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

**Government grants**

Government grants are initially recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

**Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### **Taxation** (continued)

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and equity investments at fair value through other comprehensive income, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### **Segment reporting**

Operating segments and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

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

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***4. MATERIAL ACCOUNTING POLICIES (continued)****Related parties**

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

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
  
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 4. MATERIAL ACCOUNTING POLICIES (continued)

#### Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except goodwill, deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

#### Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***5. CRITICAL JUDGEMENTS AND KEY ESTIMATES****Critical judgements in applying accounting policies**

In the process of applying the accounting policies, the directors of the Company have made the following judgements that have the most significant effect on the amounts recognised in the consolidated financial statements.

**(i) *Going concern basis***

These consolidated financial statements have been prepared on a going concern basis, the validity of which depends upon the successful outcome that certain measures to improve its financial position, to provide liquidity and cash flow. Details are explained in note 2 to consolidated financial statements.

**(ii) *Accounting treatment for a share-based arrangement with a consultant, which includes a profit guarantee undertaken by the consultant***

As detailed in note 34 to the consolidated financial statements, management assessed the relevant terms and conditions of certain share-based payment arrangement with a consultant, with due consideration of the substance and purpose of the arrangement as a whole, to determine the appropriate accounting treatment and valuation basis for the respective components of the arrangement. Significant accounting judgements and estimates are required to evaluate the relevant facts and circumstances to arrive at such determination. Based on management's assessment, the share-based payment for the provision of services by the consultant is accounted for in accordance with HKFRS 2 Share-based Payment and the share-based payment for a profit guarantee undertaken by the consultant is accounted for in accordance with HKFRS 9 Financial Instruments as further detailed in note 34 to the consolidated financial statements.

**Key sources of estimation uncertainty**

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

**(a) *Impairment of non-financial assets***

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value-in-use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***5. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)****Key sources of estimation uncertainty (continued)****(b) Impairment of trade receivables and other receivables**

The impairment provisions for trade receivables and other receivables are based on assumptions about expected credit losses. The Group uses judgements and estimates in making these assumptions and selecting the inputs to the impairment calculation, based on information about past events, current conditions and forecasts of future economic conditions at the end of each reporting period. The amount of ECLs is sensitive to changes in circumstances and forecasts of future economic conditions. The Group's historical credit loss experience and forecasts of future economic conditions may also not be representative of a debtor's actual default in the future. Changes in these assumptions and estimates could materially affect the results of the assessment and it may be necessary to make an additional impairment charge to profit or loss.

**(c) Fair value measurement of financial instruments at fair value through profit or loss**

When the fair values of financial instruments at fair value through profit or loss recorded in the consolidated statement of financial position cannot be measured/derived based on quoted prices in active markets, their fair values are determined using valuation techniques including the discounted cash flow models. The inputs to these models are taken from relevant observable markets/sources where possible, but where this is not feasible, certain degrees of judgements and estimates are required in establishing fair values. The valuation requires management to make certain judgements, estimates and assumptions about model inputs, including, inter alia, forecasts of cash flows, discount rate and other factors, as appropriate. Changes in assumptions and estimates relating to these factors could affect the reported fair values of financial instruments.

**6. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

**(a) Foreign currency risk**

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FINANCIAL RISK MANAGEMENT (continued)

## (b) Credit risk

The Group mainly trades on credit with recognised and creditworthy third parties. It is the Group's policy that customers who wish to trade on credit terms are in general subject to certain credit verification procedures. In addition, receivable balances are monitored by management on an ongoing basis.

**Maximum exposure and year-end staging**

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

**As at 31 December 2025**

	12-month		Lifetime ECLs		Total HK\$'000
	ECLs		Simplified		
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	approach HK\$'000	
Trade receivables*	–	–	–	23,196	23,196
Financial assets included in prepayments, deposits and other receivables					
– Normal**	9,730	–	–	–	9,730
– Doubtful**	–	–	12,464	–	12,464
Loan to an associate	–	–	1,800	–	1,800
Amounts due from joint ventures**	2,546	–	–	–	2,546
Cash and cash equivalents					
– Not yet past due	40,037	–	–	–	40,037
	52,313	–	14,264	23,196	89,773

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FINANCIAL RISK MANAGEMENT (continued)

## (b) Credit risk (continued)

**Maximum exposure and year-end staging**

As at 31 December 2024

	12-month		Lifetime ECLs		Total HK\$'000
	ECLs		Stage 2 HK\$'000	Stage 3 HK\$'000	
	Stage 1 HK\$'000	Simplified approach HK\$'000			
Trade receivables*	–	–	–	17,745	17,745
Financial assets included in prepayments, deposits and other receivables					
– Normal**	10,786	–	–	–	10,786
– Doubtful**	–	–	10,795	–	10,795
Loan to an associate	–	–	1,800	–	1,800
Amounts due from joint ventures**	2,584	–	–	–	2,584
Cash and cash equivalents					
– Not yet past due	43,273	–	–	–	43,273
	56,643	–	12,595	17,745	86,983

\* For trade receivables to which the Group applies the simplified approach for impairment, further detailed information is disclosed in note 24 to the consolidated financial statements.

\*\* The credit quality of the financial assets included in prepayments, deposits and other receivables and amounts due from joint ventures is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Concentration of credit risk are managed by customer/counterparty. At the end of the reporting period, the Group had certain concentrations of credit risk as 27% (2024: 34%) of the Group's trade receivables was due from the Group's largest debtor.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FINANCIAL RISK MANAGEMENT (continued)

## (c) Liquidity risk

The Group's objective is to maintain adequate funds to meet commitments associated with its financial liabilities. Cash flows of the Group are closely monitored by senior management on an on-going basis, considering the maturity of the Group's financial liabilities and financial assets, and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through debt financing (for example, other borrowing) and equity financing.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

## At 31 December 2025

	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
Trade payables	3,116	–	3,116
Financial liabilities included in other payables and accruals	38,337	–	38,337
Other borrowings	69,825	–	69,825
Lease liabilities	250	230	480
	<b>111,528</b>	<b>230</b>	<b>111,758</b>

## At 31 December 2024

	Less than 1 year HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
Trade payables	2,698	–	2,698
Financial liabilities included in other payables and accruals	59,279	–	59,279
Other borrowings	35,003	–	35,003
Lease liabilities	724	168	892
	<b>97,704</b>	<b>168</b>	<b>97,872</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FINANCIAL RISK MANAGEMENT (continued)

## (d) Interest rate risk

As the Group has no significant interest-bearing assets and liabilities, the Group's operating cash flows are substantially independent of changes in market interest rates.

## (e) Categories of financial instruments at 31 December

	2025	2024
	HK\$'000	HK\$'000
<b>Financial assets:</b>		
Investments at fair value through profit or loss:		
Mandatorily measured		
Investments in concert, other entertainment event, film and TV drama production projects	<b>10,713</b>	41,123
Financial assets at amortised cost		
Trade receivables	<b>15,133</b>	10,407
Deposits and other receivables	<b>9,262</b>	8,342
Amounts due from joint ventures	<b>2,546</b>	2,584
Cash and cash equivalents	<b>40,037</b>	43,273
	<b>66,978</b>	64,606
	<b>77,691</b>	105,729
<b>Financial liabilities:</b>		
Financial liabilities at fair value through profit or loss		
Designated as such upon initial recognition	<b>4,387</b>	23,325
Financial liabilities at amortised cost		
Trade payables	<b>3,116</b>	2,698
Other payables, accruals and other financial liabilities	<b>33,950</b>	35,954
Other borrowings	<b>65,000</b>	35,000
Lease liabilities	<b>452</b>	864
	<b>102,518</b>	74,516
	<b>106,905</b>	97,841

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***6. FINANCIAL RISK MANAGEMENT (continued)****(f) Fair values**

Except as disclosed in note 7 to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

**7. FAIR VALUE MEASUREMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

The Group's chief financial officer is responsible for determining the policies and procedures for the fair value measurement of financial instruments. At each reporting date, the chief financial officer analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values of certain financial instruments:

For the Group's investments/investments made by certain investors in certain concert and other entertainment event projects, which were completed during the year, their fair values are estimated with reference to the net proceeds receivable from those concerts attributable to the Group/the investors. For investments in certain concert and other entertainment event under preparation during the year, their fair values are estimated with reference to their production budgets and profit sharing projections based on different ticket sales scenarios, and available market and historical data. For the investments in film and TV drama production projects, their fair value at 31 December 2024 and 2025 was estimated with reference to the projected cash flows forecast.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***7. FAIR VALUE MEASUREMENTS (continued)**

For the Profit Guarantee (as defined in note 34 to the consolidated financial statements below), its fair value is estimated with reference to certain estimated production cost estimates of certain potential future Shows (as defined in note 34 to the consolidated financial statements below) during the profit guarantee period and their estimated profit sharing projections based on certain assumptions and available data to determine whether there would be any shortfall in the Guaranteed Profit based on the terms of the Agreement D (as defined in note 34 to the consolidated financial statements below).

**(a) Disclosures of level in fair value hierarchy:**

<b>31 December 2025</b>	<b>Fair value measurements using: Level 3 HK\$'000</b>
<b>Description</b>	
<b>Recurring fair value measurements:</b>	
Financial assets at fair value through profit or loss Investments in concert, other entertainment event, film and TV drama production projects	<b>10,713</b>
Financial liabilities at fair value through profit or loss Investments in concert, other entertainment event, film and TV drama production projects	<b>(4,387)</b>
<b>Total recurring fair value measurements</b>	<b>6,326</b>

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***7. FAIR VALUE MEASUREMENTS (continued)****(a) Disclosures of level in fair value hierarchy: (continued)**

31 December 2024	Fair value measurements
Description	using: Level 3 HK\$'000
<b>Recurring fair value measurements:</b>	
Financial assets at fair value through profit or loss	
Investments in concert, other entertainment event, film and TV drama production projects	41,123
Financial liabilities at fair value through profit or loss	
Investments in concert, other entertainment event, film and TV drama production projects	(23,325)
<b>Total recurring fair value measurements</b>	<b>17,798</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. FAIR VALUE MEASUREMENTS (continued)

## (b) Reconciliation of assets and liabilities measured at fair value based on level 3:

	Financial assets at fair value through profit or loss HK\$'000	Financial liabilities at fair value through profit or loss HK\$'000
At 1 January 2025	41,123	23,325
Net gain/loss recognised in profit or loss(#)	6,124	2,854
Additions	61,992	28,842
Settlements	(98,528)	(50,612)
Exchange realignment	2	(22)
At 31 December 2025	10,713	4,387
(#) Include gain for assets and liabilities held at end of reporting period	176	(375)

  

	Financial assets at fair value through profit or loss HK\$'000	Financial liabilities at fair value through profit or loss HK\$'000
At 1 January 2024	49,904	6,437
Net gain/loss recognised in profit or loss(#)	10,967	11,994
Additions	86,188	24,494
Settlements	(105,912)	(19,517)
Exchange realignment	(24)	(83)
At 31 December 2024	41,123	23,325
(#) Include loss for assets and liabilities held at end of reporting period	(1,110)	10,219

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 7. FAIR VALUE MEASUREMENTS (continued)

#### (b) Reconciliation of assets and liabilities measured at fair value based on level 3: (continued)

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2024: Nil).

The total gains or losses recognised in profit or loss including those for assets and liabilities held at end of reporting period are presented in revenue and other expenses, net in the consolidated statement of profit or loss and other comprehensive income.

#### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025:

The Group's chief financial officer is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group has a team that manages the valuation exercise of level 3 financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least twice every year, the team would use valuation techniques to determine the fair value of the Group's level 3 financial instruments. External valuation experts will be involved when necessary.

#### *Level 3 fair value measurements*

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2025 HK\$'000
Financial assets at fair value through profit or loss	Discounted cash flow	Discount rates	12.0%	Decrease	10,713
Financial liabilities at fair value through profit or loss	Discounted cash flow	Discount rates	12.0%	Decrease	4,387

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 7. FAIR VALUE MEASUREMENTS (continued)

## (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2025: (continued)

*Level 3 fair value measurements* (continued)

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2024 HK\$'000
Financial assets at fair value through profit or loss	Discounted cash flow	Discount rates	13.8%	Decrease	41,123
Financial liabilities at fair value through profit or loss	Discounted cash flow	Discount rates	13.8%	Decrease	23,325

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***8. OPERATING SEGMENT INFORMATION**

For management purposes, the Group is engaged in a single business unit of media and entertainment for the current year under review. In prior year, the Group is organised into business units based on their products and services and has two reportable operating segments as follows:

- (a) the media and entertainment segment primarily engages in the organisation/production of and investments in concert, other entertainment event, film and TV drama production projects and other media and entertainment related businesses; and
- (b) the cremation and funeral services segment primarily engages in the provision of cremation and funeral services and deathcare related business.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's loss before tax except that finance costs, share-based payment expense and head office and corporate expenses are excluded from such measurement. No other discrete financial information is provided other than the Group's results and financial position as a whole for the year ended 31 December 2025. Therefore, no information about reportable segment profit or loss, assets and liabilities is presented for the year ended 31 December 2025. Accordingly, only geographical information and major customers are presented for the year ended 31 December 2025.

Segment assets exclude certain property, plant and equipment, club membership and other unallocated head office and corporate assets as these assets are managed on a group basis.

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 8. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2024/as at 31 December 2024

	Media and entertainment HK\$'000	Cremation and funeral services HK\$'000	Total HK\$'000
<b>Segment revenue</b>			
Revenue from contracts with external customers	127,728	6,022	133,750
Other revenue	10,967	4,182	15,149
	<b>138,695</b>	<b>10,204</b>	<b>148,899</b>
<b>Segment results</b>	<b>3,812</b>	<b>(16,820)</b>	<b>(13,008)</b>
<i>Reconciliation:</i>			
Corporate and other unallocated expenses, net			(10,718)
Finance costs			(2,176)
Loss before tax			(25,902)
<b>Segment assets</b>	<b>117,530</b>	<b>566</b>	<b>118,096</b>
<i>Reconciliation:</i>			
Corporate and other unallocated assets			5,453
Total assets			123,549
<b>Segment liabilities</b>	<b>(65,860)</b>	<b>(1,963)</b>	<b>(67,823)</b>
<i>Reconciliation:</i>			
Corporate and other unallocated liabilities			(41,644)
Total liabilities			(109,467)
<b>Other segment information</b>			
Share of losses of joint ventures	560	–	560
Depreciation and amortisation	1,472	1,705	3,177
Finance costs	941	7	948
Loss on disposal/write-off of property, plant and equipment	–	1,141	1,141
(Reversal of impairment)/impairment of trade and other receivables, net	(535)	4	(531)
Additions to property, plant and equipment	219	702	921
Investments in joint ventures	1,300	–	1,300

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 8. OPERATING SEGMENT INFORMATION (continued)

## Geographical information

## (a) Revenue from contracts with external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong	20,303	47,791
Mainland China	1,714	7,023
Macau	52,808	70,099
Thailand	1,102	3,670
United Kingdom	5,802	–
Australia	4,456	–
Taiwan	26,257	460
Others	4,891	4,707
	<b>117,333</b>	133,750

The revenue information above is based on the locations where the relevant sales, concerts or other entertainment events took place/underlying services were rendered.

## (b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong	1,150	3,157
Others	49	339
	<b>1,199</b>	3,496

The non-current asset information above is based on the locations of the assets/underlying assets and excludes financial instruments, investments in joint ventures, amounts due from joint ventures and investments in an associate.

## Information about major customers

No individual customer exceed 10% of the total revenue of the Group during the years ended 31 December 2025 and 2024.

**Notes to the Consolidated Financial Statements**

For the year ended 31 December 2025

**9. REVENUE**

	2025 HK\$'000	2024 HK\$'000
<i>Revenue from contracts with customers</i>		
Provision of cremation and funeral services and sale of related goods	-	6,022
Concert and other entertainment event income and sale of related goods	<b>111,878</b>	122,109
Artiste management and performance services income	<b>5,455</b>	5,619
	<b>117,333</b>	133,750
<i>Revenue from other sources</i>		
Rendering of cremation services*	-	4,182
Gain on investments in concert, other entertainment event, film and TV drama production projects, net	<b>6,124</b>	10,967
	<b>6,124</b>	15,149
	<b>123,457</b>	148,899

\* Being government subsidies received for the rendering of cremation services in certain location in Mainland China. There are no unfulfilled conditions or contingencies relating to these subsidies.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 9. REVENUE (continued)

## Revenue from contracts with customers

*Disaggregated revenue information*

For the year ended 31 December 2025

Segment	Media and entertainment HK\$'000
<b>Types of goods or services</b>	
Sale of goods	671
Concert and other entertainment event organisation	110,967
Sponsorship	240
Artiste management and performance	5,455
<hr/>	
Total revenue from contracts with customers	117,333
<hr/>	
<b>Timing of revenue recognition</b>	
At a point in time	671
Over time	116,662
<hr/>	
Total	117,333

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 9. REVENUE (continued)

## Revenue from contracts with customers (continued)

**Disaggregated revenue information** (continued)

For the year ended 31 December 2024

Segments	Media and entertainment HK\$'000	Cremation and funeral services HK\$'000	Total HK\$'000
<b>Types of goods or services</b>			
Sale of goods	235	101	336
Cremation and funeral services	–	5,921	5,921
Concert and other entertainment event organisation	108,660	–	108,660
Sponsorship	13,214	–	13,214
Artiste management and performance	5,619	–	5,619
<b>Total revenue from contracts with customers</b>	<b>127,728</b>	<b>6,022</b>	<b>133,750</b>
<b>Geographical markets</b>			
Hong Kong	47,791	–	47,791
Mainland China	1,001	6,022	7,023
Macau	70,099	–	70,099
Thailand	3,670	–	3,670
Others	5,167	–	5,167
<b>Total revenue from contracts with customers</b>	<b>127,728</b>	<b>6,022</b>	<b>133,750</b>
<b>Timing of revenue recognition</b>			
At a point in time	235	101	336
Over time	127,493	5,921	133,414
<b>Total</b>	<b>127,728</b>	<b>6,022</b>	<b>133,750</b>

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***9. REVENUE (continued)****Revenue from contracts with customers (continued)*****Disaggregated revenue information*** (continued)

## Sale of goods

Revenue from the sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 days from delivery.

## Cremation and funeral services

Revenue from cremation and funeral services is generally recognised when the relevant services are provided/performed and/or the relevant activities occurred.

The performance obligation is generally satisfied when relevant services are provided/performed and/or relevant activities occurred, and payment is generally due upon completion of the services/activities.

## Concert and other entertainment event organisation

Revenue from the organisation of a concert or other entertainment events is generally recognised upon the occurrence of relevant concert or other entertainment event and when relevant services/activities are provided/performed.

The performance obligation is generally satisfied upon the occurrence of the relevant concert or other entertainment event and when the relevant services/activities are provided/performed, and payments in advance by customers are normally required, while ticketing agencies and/or other relevant parties normally settle the corresponding amounts received by them attributable to the Group generally within 60 to 180 days.

## Sponsorship income

Sponsorship income for specific sponsorship activities over a certain period is generally recognised over the relevant sponsorship period, usually on a straight-line basis, as the customer simultaneously receives and consumes the benefits provided under the sponsorship arrangement, or as the relevant services/activities are provided/performed and/or the relevant events/activities occurred.

The performance obligation is generally satisfied over the sponsorship period or as relevant services activities are provided/performed and/or relevant events/activities occurred, while certain payments in advance are normally required, with the balance generally payable upon completion of the relevant events/activities or based on agreed terms.

## Artiste management and performance services

Revenue from the provision of artiste management, artiste performance and other related services for/relating to specific event/activities is generally recognised upon the occurrence of the specific events/activities and/or when the relevant services/activities are provided/performed.

The performance obligation is generally satisfied upon the occurrence of certain events/activities and/or when the relevant services/activities are provided/performed, and payment is generally due within 30 to 60 days upon completion of the relevant events, activities or services.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 10. OTHER INCOME AND GAINS

	2025 HK\$'000	2024 HK\$'000
Government subsidies	84	1,122
Gain on disposal of property, plant and equipment	328	–
Others	821	534
	<b>1,233</b>	1,656

## 11. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on other borrowings	4,072	2,106
Interest on lease liabilities	43	70
	<b>4,115</b>	2,176

## 12. INCOME TAX

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax		
Provision for the year	–	1,172
(Over-provision)/under-provision in prior years	(102)	117
	<b>(102)</b>	1,289
Current tax – Overseas		
Provision for the year	–	605
	–	605
	<b>(102)</b>	1,894

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***12. INCOME TAX (continued)**

The income tax provision of the Group in respect of operations in Hong Kong is provided at 8.25% on assessable profits up to HK\$2,000,000, and the applicable tax rate is 16.5% on any part of assessable profits over HK\$2,000,000 based on the assessable profits for the years ended 31 December 2025 and 2024.

The income tax provision of the Group in respect of operations in the PRC was calculated at the tax rate of 25% on the assessable profits for the years ended 31 December 2025 and 2024, based on the existing legislation, interpretations and practices in respect thereof.

The income tax provision of the Group in respect of operations in the PRC were qualified as "Small Low-Profit Enterprise" for the years ended 31 December 2025 and 2024 and were entitled to a preferential income tax rate. From 1 January 2023 to 31 December 2027, the profits no more than RMB3 million are taxed 5%.

According to the applicable PRC tax regulations, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% PRC withholding tax.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 12. INCOME TAX (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the statutory tax rate applicable to losses of the consolidated entities as follows:

	2025 HK\$'000	2024 HK\$'000
Loss before tax	<b>(51,112)</b>	(25,902)
Tax credit at the Hong Kong statutory tax rate of 16.5% (2024: 16.5%)	<b>(8,433)</b>	(4,274)
Tax effect of tax rate at lower tax regime	–	(165)
Effect of difference in tax rate for specific locations or enacted by local authority	<b>(95)</b>	47
Income not subject to tax	<b>(115)</b>	(303)
Expenses not deductible for tax	<b>1,505</b>	3,388
Tax losses not recognised	<b>7,138</b>	3,416
PRC withholding tax	–	551
Tax effect of one-off reduction	–	(2)
Tax effect of utilisation of tax losses not previously recognised	–	(881)
(Over-provision)/under-provision in prior years	<b>(102)</b>	117
Tax (credit)/charge at the Group's effective rate	<b>(102)</b>	1,894

The Group has tax losses arising in Hong Kong of approximately HK\$186,307,000 (2024: HK\$143,043,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits arising in Hong Kong of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have mainly arisen in subsidiaries that have been loss-making for some time or due to the unpredictable future taxable profit streams of the relevant entities and, in the opinion of the Company's directors, it is currently not considered probable that taxable profits will be available against which the tax losses can be utilised.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 13. LOSS FOR THE YEAR

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

	2025 HK\$'000	2024 HK\$'000
Cost of inventories sold	413	300
Depreciation of property, plant and equipment	247	1,872
Depreciation of right-of-use assets	749	1,128
Amortisation of intangible assets	223	223
Auditor's remuneration		
– Audit services	1,100	1,100
– Non-audit services	47	47
	<b>1,147</b>	1,147
Employee benefit expense (including directors' and chief executive's remuneration):		
– Salaries, bonuses and other benefits	24,367	34,850
– Equity-settled share-based payment (credit)/expense, net	(1,567)	343
– Pension scheme contributions (defined contribution schemes)	722	681
	<b>23,522</b>	35,874
Equity-settled share-based payment expense to a consultant	930	–
(Gain)/loss on disposal/write-off of property, plant and equipment	(328)	1,141
Loss on disposal of subsidiaries	370	9,595
Loss on deregistration of subsidiaries	111	–
Gain on early termination of right-of-use assets	(2)	–
Impairment/(reversal of impairment) of trade receivables, net	725	(1,929)
(Reversal of impairment)/impairment of other receivables, net	(307)	1,398
Fair value losses, net:		
Financial liabilities at fair value through profit or loss		
– designated as such upon initial recognition*	2,854	11,994
Amortization of prepayment for other share-based payment arrangement (note 34)*	–	6,414
	<b>2,854</b>	18,408
Foreign exchange differences, net	(76)	486
Amortisation of deferred income in respect of government grants	–	(445)

\* Included in "Other expenses, net" in the consolidated statement of profit or loss and other comprehensive income.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES

## (a) Directors' and chief executive's emoluments

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules, is as follows:

Name of directors	Fees HK\$'000	Salaries and other benefits HK\$'000	2025		Total HK\$'000
			Equity- settled share option expense HK\$'000	Pension scheme contributions HK\$'000	
<i>Executive directors:</i>					
Mr. Dong Choi Chi, Alex ( <i>Chairman</i> ) (Note a)	-	1,386	-	18	1,404
Mr. Chong Cho Lam ( <i>Chief executive officer</i> ) (Note b)	-	750	-	11	761
<i>Non-executive directors:</i>					
Mr. Ye Chao (Note c)	9	-	-	-	9
Mr. Ma Xinying (Note d)	260	-	-	-	260
Ms. Yuan Xiaomei (Note e)	120	-	-	-	120
<i>Independent non-executive directors:</i>					
Mr. Chan Wai Man	240	-	-	-	240
Mr. Siu Hi Lam, Alick	240	-	-	-	240
Dr. Ip Wai Hung	240	-	-	-	240
	1,109	2,136	-	29	3,274

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)

## (a) Directors' and chief executive's emoluments (continued)

Name of directors	Fees HK\$'000	Salaries and other benefits HK\$'000	2024	Pension scheme contributions HK\$'000	Total HK\$'000
			Equity- settled share option expense HK\$'000		
<i>Executive directors:</i>					
Mr. Dong Choi Chi, Alex ( <i>Chairman</i> ) (Note a)	–	1,341	82	18	1,441
Mr. Chong Cho Lam ( <i>Chief executive officer</i> ) (Note b)	–	1,330	82	18	1,430
<i>Non-executive directors:</i>					
Mr. Ma Xinying (Note d)	179	–	–	–	179
Ms. Yuan Xiaomei (Note e)	28	–	–	–	28
<i>Independent non-executive directors:</i>					
Mr. Chan Wai Man	240	–	–	–	240
Mr. Siu Hi Lam, Alick	240	–	–	–	240
Dr. Ip Wai Hung	240	–	–	–	240
	927	2,671	164	36	3,798

## Notes:

- (a) Resigned as chairman of the Board and executive director on 26 January 2026.
- (b) Resigned as chief executive officer and executive director on 31 July 2025.
- (c) Appointed as a non-executive director with effect from 3 December 2025.
- (d) Appointed as a non-executive director with effect from 2 July 2024.
- (e) Appointed as a non-executive director with effect from 8 October 2024.

During the year, no emolument was paid or payable by the Group to the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for the loss of office (2024: Nil).

**Notes to the Consolidated Financial Statements**

For the year ended 31 December 2025

**14. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND FIVE HIGHEST PAID EMPLOYEES (continued)****(b) Directors' material interests in transactions, arrangements or contracts**

Excepted for disclosed in the note 36 to the consolidated financial statements, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the year ended 31 December 2025 (2024: nil).

**(c) Five highest paid employees**

The five highest paid employees of the Group during the year included 2 directors (2024: 2 directors) whose remuneration are set out in note 14(a) above. Details of the remuneration for the year of the remaining 3 (2024: 3) highest paid employees are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, bonuses and other benefits	3,938	3,915
Equity-settled share-based payment expense	–	316
Pension scheme contributions	54	54
	<b>3,992</b>	4,285

The number of the highest paid employees who are not the directors of Company and whose remuneration falls within the following bands:

	Number of individuals	
	2025	2024
Nil to HK\$1,000,000	–	–
HK\$1,000,001 to HK\$1,500,000	3	2
HK\$1,500,001 to HK\$2,000,000	–	1

**15. DIVIDENDS**

The board of directors of the Company does not recommend the payment of any dividend in respect of the year (2024: Nil).

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***16. LOSS PER SHARE****Basic loss per share**

The basic loss per share for the years ended 31 December 2025 and 2024 is calculated based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2025 HK\$'000	2024 HK\$'000
Loss attributable to owners of the Company:	<b>(49,206)</b>	(26,137)

	2025 '000	2024 '000
Weighted average number of ordinary shares for the year ended 31 December	<b>2,561,048</b>	2,373,793

**Diluted loss per share**

No diluted loss per share is presented as the Company did not have any dilutive potential ordinary sharing during the years ended 31 December 2025 and 2024.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 17. PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Machinery and equipment HK\$'000	Furniture and office equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Cost</b>						
At 1 January 2024	9,967	10,475	9,031	4,062	6,515	40,050
Additions	-	646	41	234	-	921
Disposal of subsidiaries	(9,797)	(9,220)	(8,952)	(339)	(2,301)	(30,609)
Disposals/write-off	-	(1,647)	-	(1,071)	(644)	(3,362)
Exchange realignment	(170)	(136)	(120)	(33)	(41)	(500)
<b>At 31 December 2024 and 1 January 2025</b>	<b>-</b>	<b>118</b>	<b>-</b>	<b>2,853</b>	<b>3,529</b>	<b>6,500</b>
<b>Additions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>	<b>-</b>	<b>122</b>
<b>Disposals/write-off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,517)</b>	<b>(3,529)</b>	<b>(5,046)</b>
<b>Exchange realignment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>18</b>
<b>At 31 December 2025</b>	<b>-</b>	<b>118</b>	<b>-</b>	<b>1,476</b>	<b>-</b>	<b>1,594</b>
<b>Accumulated depreciation and impairment</b>						
At 1 January 2024	6,268	5,144	4,588	2,879	4,767	23,646
Depreciation provided during the year	150	704	389	296	333	1,872
Disposal of subsidiaries	(6,391)	(4,410)	(4,885)	(140)	(1,334)	(17,160)
Disposals/write-off	-	(1,286)	-	(509)	(225)	(2,020)
Exchange realignment	(27)	(79)	(92)	(15)	(12)	(225)
<b>At 31 December 2024 and 1 January 2025</b>	<b>-</b>	<b>73</b>	<b>-</b>	<b>2,511</b>	<b>3,529</b>	<b>6,113</b>
<b>Depreciation provided during the year</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>223</b>	<b>-</b>	<b>247</b>
<b>Disposals/write-off</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,517)</b>	<b>(3,529)</b>	<b>(5,046)</b>
<b>Exchange realignment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>-</b>	<b>11</b>
<b>At 31 December 2025</b>	<b>-</b>	<b>97</b>	<b>-</b>	<b>1,228</b>	<b>-</b>	<b>1,325</b>
<b>Carrying amount</b>						
<b>At 31 December 2025</b>	<b>-</b>	<b>21</b>	<b>-</b>	<b>248</b>	<b>-</b>	<b>269</b>
At 31 December 2024	-	45	-	342	-	387

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 18. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

	2025	2024
	HK\$'000	HK\$'000
<b>At 31 December</b>		
– Equipment	315	37
– Properties	122	786
	<b>437</b>	823
The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:		
– Less than 1 year	250	724
– Between 1 and 2 years	221	168
– Between 2 and 5 years	9	–
	<b>480</b>	892
<b>Year ended 31 December</b>	2025	2024
	HK\$'000	HK\$'000
Depreciation charge of right-of-use assets	749	1,128
Lease interests	43	70
Expense relating to short-term leases (included in general and administrative expenses)	1,539	1,080
Total cash outflow for leases	<b>2,357</b>	2,352
Additions to right-of-use assets	404	945
Disposal of subsidiaries of right-of-use assets (Note 35(d))	–	84
Early termination of right-of-use assets	53	–
Foreign exchange movement of right-of-use assets	12	(32)

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 18. LEASES AND RIGHT-OF-USE ASSETS (continued)

The Group leases equipment and properties. Lease agreements are typically made for fixed periods of 2-5 years. 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 and the leased assets may not be used as security for borrowing purposes.

## 19. INTANGIBLE ASSETS

	Licence right HK\$'000	Operating rights HK\$'000	Club membership HK\$'000	Total HK\$'000
<b>Cost</b>				
At 1 January 2024	2,228	8,864	2,900	13,992
Disposal of subsidiaries (Note 35(d))	-	(8,724)	-	(8,724)
Exchange realignment	-	(140)	-	(140)
<b>At 31 December 2024 and 1 January 2025</b>	<b>2,228</b>	<b>-</b>	<b>2,900</b>	<b>5,128</b>
<b>Disposal of subsidiaries (Note 35(c))</b>	<b>-</b>	<b>-</b>	<b>(2,900)</b>	<b>(2,900)</b>
<b>At 31 December 2025</b>	<b>2,228</b>	<b>-</b>	<b>-</b>	<b>2,228</b>
<b>Accumulated amortisation and impairment</b>				
At 1 January 2024	1,289	-	1,330	2,619
Amortisation provided during the year	223	-	-	223
<b>At 31 December 2024 and 1 January 2025</b>	<b>1,512</b>	<b>-</b>	<b>1,330</b>	<b>2,842</b>
<b>Amortisation provided during the year</b>	<b>223</b>	<b>-</b>	<b>-</b>	<b>223</b>
<b>Disposal of subsidiaries (Note 35(c))</b>	<b>-</b>	<b>-</b>	<b>(1,330)</b>	<b>(1,330)</b>
<b>At 31 December 2025</b>	<b>1,735</b>	<b>-</b>	<b>-</b>	<b>1,735</b>
<b>Carrying amount</b>				
<b>At 31 December 2025</b>	<b>493</b>	<b>-</b>	<b>-</b>	<b>493</b>
At 31 December 2024	716	-	1,570	2,286

**Impairment testing of intangible assets with indefinite useful lives**

The impairment testing compares the carrying amount of an individual intangible asset or the cash-generating unit to which the intangible asset belongs with its recoverable amount as determined based on a value-in-use calculation, with the exception of a club membership whose recoverable amount was determined using fair value less costs of disposal based on quoted market prices (Level 1 within the fair value hierarchy) less estimated incremental costs for disposing of the asset.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 19. INTANGIBLE ASSETS (continued)

**Club membership**

For the year ended 31 December 2024, no significant change in price for comparable transaction prices and no impairment provision for the year. For operating segment reporting purposes, the club membership is included under corporate and other unallocated assets. The recoverable amount of the club membership of HK\$1,570,000 has been determined based on fair value less costs of disposal, measured with reference to its quoted price (Level 1 of the fair value hierarchy). On 19 June 2025, the Group has completed disposal of the club membership through disposal of Sage Cemetery Sales & Management Inc., as disclosed in note 35(c) to the consolidated financial statements.

## 20. SUBSIDIARIES

Particulars of the Group's principal subsidiaries and controlled structured entities as at 31 December 2025 and 2024 are as follows:

Name	Place of incorporation/ registration and operation	Issued and paid up capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities
			Indirect 2025	2024	
Black Sesame Entertainment (Beijing) Co. Limited ("Black Sesame Beijing") 黑芝麻娛樂文化(北京)有限公司 (Notes (i), (ii) & (iii))	The PRC	US\$1,400,000	0%	100%	Production of dramas and musical performances and music intellectual property rights management
Black Sesame Entertainment Co. Limited	Hong Kong	HK\$10,001,001	100%	100%	Production of dramas and musical performances, artiste management and performance, and music intellectual property rights management
Bookyay Limited	Hong Kong	HK\$100	100%	100%	Provision of platform and related services
Grand Rich (Asia) Company Limited	Hong Kong	HK\$100	0%	100%	Holding of a club membership

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 20. SUBSIDIARIES (continued)

Particulars of the Group's principal subsidiaries and controlled structured entities as at 31 December 2025 and 2024 are as follows: (continued)

Name	Place of incorporation/ registration and operation	Issued and paid up capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities
			Indirect 2025	2024	
Incubase Studio Limited	Hong Kong	HK\$500,000	60%	60%	Evert management, design, intellectual property development and consultation services, and organising and investing in cultural art, entertainment and related projects
Pet It Go Limited	Hong Kong	HK\$1	100%	100%	Provision of pet aftercare services
Rising Sun Entertainment Limited ("Rising Sun")	Hong Kong	HK\$10	100%	80%	Artiste management
Sage Dignity Services Limited	Hong Kong	HK\$100	100%	100%	Provision of administrative services
Sun Bond Engineering Limited	Macau	MOP\$100,000	70%	70%	Provision of stage production and related services
Qing Hua Entertainment Asia Limited (formerly known as Sunny Side Up Entertainment Asia Limited) ("Qing Hua Entertainment")	Hong Kong	HK\$1	100%	100%	Investments in concert and other entertainment event projects
Sunny Blue Sea Production Limited	Hong Kong	HK\$8,000,000	70%	70%	Provision of stage production and related services

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 20. SUBSIDIARIES (continued)

Particulars of the Group's principal subsidiaries and controlled structured entities as at 31 December 2025 and 2024 are as follows: (continued)

Name	Place of incorporation/ registration and operation	Issued and paid up capital	Percentage of ownership interest/ voting power/ profit sharing		Principal activities
			Indirect 2025	2024	
Sunny Side Up (Never) Limited ("Never")	Hong Kong	HK\$100	100%	100%	Investments in and organisation/ production of concert, other entertainment event, film and TV drama production projects
Yeah Yeah Play Limited	Hong Kong	HK\$1,000	100%	100%	Sales of goods

Notes:

- (i) The English name is for identification purposes only.
- (ii) Black Sesame Beijing is wholly-owned foreign enterprises established in the PRC.
- (iii) The entity was deregistered for the year ended 31 December 2025.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group, or are of particular importance to the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 21. INVESTMENTS IN JOINT VENTURES

	2025 HK\$'000	2024 HK\$'000
Share of net liabilities	(1,308)	(1,284)
Amounts due from joint ventures	2,546	2,584
	<b>1,238</b>	1,300

The amounts due from joint ventures are unsecured, interest-free and repayable on demand. In the opinion of the directors, the amounts due from joint ventures are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the joint ventures. There was no recent history of default and past due amount for the amounts due from joint ventures.

Particulars of the Group's joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group Indirectly	Principal activities
Edward Ma Workshop Limited	Ordinary shares	Hong Kong	50%	Operation of entertainment related activities
Storypresents Company Limited	Ordinary shares	Hong Kong	40%	Operation of entertainment related activities

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Share of the joint ventures' loss for the year	(24)	(560)
Share of the joint ventures' total comprehensive loss	(24)	(560)
Aggregate carrying amount of the Group's investments in the joint ventures	<b>1,238</b>	1,300

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 22. INVESTMENTS IN AN ASSOCIATE

	2025 HK\$'000	2024 HK\$'000
Share of net assets	–	–
Loan to an associate	1,800	1,800
	1,800	1,800
Less: provision for impairment	(1,800)	(1,800)
	–	–

At 31 December 2025 and 2024, the Group had a loan to the associate of HK\$1,800,000 (2024: HK\$1,800,000). The loan is unsecured, interest-free and repayable on demand. In the opinion of the directors, the loan is unlikely to be repaid by the associate in the foreseeable future and is considered as part of the Group's net investment in the associate. An impairment assessment was performed by the Group in the prior year, as the credit risk of the loan had increased significantly since initial recognition, after considering relevant available information. Based on the assessment, taking into account, among others, historical information, current conditions and forwardlooking credit risk information/forecast of future development and market/economic conditions, as appropriate, the Group considered it would be unlikely to recover the outstanding amount and, accordingly, a loss allowance for impairment of HK\$1,800,000 was recognised during the prior year. There was no change in the impairment assessment and the loss allowance for impairment during the current year.

Particulars of the associate are as follows:

Name	Particulars of issued shares held	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group Indirectly	Principal activities
Triple Lips Production Limited	Ordinary shares	Hong Kong	30.00%	Operation of entertainment related activities

The Group has discontinued the recognition of its share of loss of the associate because the share of loss of the associate exceeded the Group's equity investment in the associate of HK\$300 (2024: HK\$300) and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of profit of this associate for the current year and cumulative loss were approximately HK\$121,000 (2024: share of loss of HK\$135,000) and HK\$5,815,000 (2024: HK\$5,936,000), respectively.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***23. INVESTMENTS IN CONCERT, OTHER ENTERTAINMENT EVENT, FILM AND TV DRAMA PRODUCTION PROJECTS**

	2025	2024
	HK\$'000	HK\$'000
Investments in concert, other entertainment event, film and TV drama production projects, at fair value	<b>10,713</b>	41,123

The Group's investments in concert, other entertainment event, film and TV drama production projects at 31 December 2025 and 2024 are classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

**Investments in film and TV drama production projects**

The Group entered into certain investment agreements to invest in the production of motion picture films and TV drama, which entitled the Group to certain rights in connection with the investments and net profit or loss of the films/TV drama. Pursuant to the respective investment agreements, the Group is entitled to the right to recoup its investment amount and to share certain revenues of the films/TV drama attributable to the Group in accordance with the terms of the respective investment agreements. Such arrangements are considered by the Group as investments in film and TV drama production projects. The Group measured, at initial recognition, the costs of the investments based on the cash considerations for these investments. Their carrying amounts at the end of the reporting period represented the fair values of the estimated net future cash flows from these investments attributable to the Group.

**Investments in concert and other entertainment event projects**

The Group entered into several investment agreements to invest in the production/organisation of certain concerts and other entertainment events, which entitle the Group to, among others, the rights to share the net profit or loss of the respective concerts and entertainment events attributable to the Group, as appropriate, in accordance with the terms of the respective investment agreements. The Group measured, at initial recognition, the cost of these investments based on the cash considerations for these investments. Their carrying amounts at the end of the reporting period represented the fair values of the estimated net future cash flows from these investments attributable to the Group.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 24. TRADE RECEIVABLES

	2025	2024
	HK\$'000	HK\$'000
Trade receivables	<b>23,196</b>	17,745
Provision for loss allowance	<b>(8,063)</b>	(7,338)
Carrying amount	<b>15,133</b>	10,407

The Group's trading terms for media and entertainment related businesses, other than ticket sales and certain sponsorship arrangements whereby payments in advance are normally required, the credit period is generally 30 to 60 days from the date of billing, while ticketing agencies and/or other relevant parties normally settle the corresponding amounts received by them attributable to the Group within 60 to 180 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date or equivalent and net of loss allowance, is as follows:

	2025	2024
	HK\$'000	HK\$'000
Within 30 days	<b>8,282</b>	4,146
31 to 60 days	<b>420</b>	896
61 to 90 days	<b>72</b>	1,706
Over 90 days	<b>6,359</b>	3,659
	<b>15,133</b>	10,407

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***24. TRADE RECEIVABLES (continued)**

The movements in the loss allowance of trade receivables are as follows:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
At 1 January	<b>7,338</b>	10,804
Impairment/(reversal of impairment), net	<b>725</b>	(1,929)
Amounts written off	–	(1,463)
Disposal of subsidiaries	–	(74)
At 31 December	<b>8,063</b>	7,338

An impairment analysis is performed at each reporting date using a probability of default approach to measure expected credit losses. The probabilities of default are estimated based actual credit loss experience. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forward-looking credit risk information/forecasts of future economic conditions. As at 31 December 2025, the probability of default applied ranged from 2.57% to 100% (2024: 2.86% to 100%) and the loss given default was estimated to range from 67.08% to 100% (2024: 63.91% to 100%).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 25. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025	2024
	HK\$'000	HK\$'000
Prepayments	6,167	15,608
Deposits	266	361
Other receivables (Note)	21,928	21,220
	<b>28,361</b>	37,189
Impairment allowance	<b>(12,932)</b>	(13,239)
	<b>15,429</b>	23,950

The movements in the loss allowance of other receivables are as follows:

	2025	2024
	HK\$'000	HK\$'000
At beginning of year	13,239	15,465
(Reversal of impairment)/impairment, net	(307)	1,398
Disposal of subsidiaries	–	(2,643)
Amount written off	–	(1,021)
Exchange realignment	–	40
At 31 December	<b>12,932</b>	13,239

Note:

Included in the Group's other receivables are amounts due from related companies, a joint venture and a non-controlling shareholder of a subsidiary of approximately HK\$149,000 (2024: HK\$149,000), HK\$110,000 (2024: HK\$101,000) and HK\$461,000 (2024: HK\$962,000), respectively, as at 31 December 2025 which are unsecured, non-interest-bearing and repayable on demand. A major subsidiary's director of the Company is a beneficial owner of the related companies.

For financial assets included above, where applicable, an impairment analysis is performed at each reporting date by considering the probability of default. As at 31 December 2025, the probability of default applied ranged from 2.12% to 100% (2024: 2.18% to 100%) and the loss given default was estimated to range from 75.97% to 100% (2024: 89.97% to 100%).

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 26. CASH AND CASH EQUIVALENTS

	2025 HK\$'000	2024 HK\$'000
Cash at bank and on hand	<b>40,037</b>	43,273

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to nil (2024: HK\$537,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Certain cash at banks earns interest at floating rates mainly based on relevant deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## 27. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND OTHER FINANCIAL LIABILITIES

	Notes	2025 HK\$'000	2024 HK\$'000
Trade payables	(a)	<b>3,116</b>	2,698
Contract liabilities	(b)	<b>2,039</b>	674
Other payables and accruals	(c)	<b>33,950</b>	35,954
Other tax payables		<b>11,099</b>	9,594
Financial liabilities at fair value through profit or loss	(d)	<b>4,387</b>	23,325
		<b>54,591</b>	72,245

Notes:

- (a) An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date or equivalent, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	<b>823</b>	529
31 to 60 days	<b>105</b>	–
61 to 90 days	<b>152</b>	–
Over 90 days	<b>2,036</b>	2,169
	<b>3,116</b>	2,698

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 27. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND OTHER FINANCIAL LIABILITIES (continued)

Notes: (continued)

(b) Details of contract liabilities are as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000	1 January 2024 HK\$'000
Short-term advances received from customers:			
Funeral services	–	–	4
Media and entertainment related services	2,039	674	1,151
	<b>2,039</b>	674	1,155
Contract receivables (included in trade receivables)	<b>15,133</b>	10,407	11,818
		2025 HK\$'000	2024 HK\$'000
Transaction prices allocated to performance obligations unsatisfied at end of year and expected to be recognised as revenue in:			
– 2025		N/A	674
– 2026		2,039	–
		<b>2,039</b>	674
<b>Year ended 31 December</b>		2025 HK\$'000	2024 HK\$'000
Revenue recognised in the year that was included in contract liabilities at beginning of year		674	1,155
Significant changes in contract liabilities during the year:			
Increase due to operations in the year		64,309	45,635
Transfer of contract liabilities to revenue		62,944	46,116

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 27. TRADE PAYABLES, OTHER PAYABLES, ACCRUALS AND OTHER FINANCIAL LIABILITIES (continued)

Notes: (continued)

- (c) Included in the Group's other payables are amounts due to a joint venture and related companies of approximately HK\$64,000 (2024: Nil) and HK\$73,000 (2024: HK\$73,000), respectively, which are unsecured, non-interest-bearing and repayable on demand. A non-controlling shareholder of indirect subsidiary of the Company is a beneficial owner of the related companies. Except for the above, other payables are unsecured, non-interest-bearing and repayable within 1 year.
- (d) The amounts mainly represent investments made by certain investors in projects relating to concerts and other entertainment events organised/to be organised by the Group. In accordance with the terms of the respective agreements, the investors are entitled to the rights to recoup their investment amounts as appropriate and to share the net profit or loss of the respective concert and other entertainment event projects. The financial liabilities were designated upon initial recognition as at fair value through profit or loss, as such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise and/or the financial liabilities form part of a group of financial assets or financial liabilities or both, which are managed and their performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis. The net changes in fair values of these financial liabilities during the year of HK\$2,854,000 were debited to profit or loss (2024: HK\$11,994,000 debited to profit or loss).

## 28. OTHER BORROWINGS

		2025		2024
	Maturity	HK\$'000	Maturity	HK\$'000
Other borrowing A – unsecured (note a)	2025	35,000	2025	35,000
Other borrowing B – unsecured (note b)	2026	30,000	N/A	–
Total borrowings		65,000		35,000
Less: Amount due for settlement within 12 months (shown under current liabilities)		(65,000)		(35,000)
Amount due for settlement after 12 months		–		–

Notes:

- (a) In 2020, the Group obtained certain revolving loan facilities (the "Loan Facilities") from an independent third party of the Company up to a principal amount of HK\$100,000,000. The Group's other borrowing as at 31 December 2025 represented a loan with an aggregate principal amount of HK\$35,000,000 (2024: HK\$35,000,000) drawn down under the Loan Facilities, which is unsecured, interest bearing at 3.5% (2024: 3.5%) per annum and is repayable on the fifth anniversary of the first drawdown date (or such later date as may be agreed by the lender and the borrower). The loan is denominated in HK\$. The loan is matured for the year ended 31 December 2025, however, the Group unable to reach the lender. The Group is waiting for lender's reply for repayment arrangement.
- (b) The loan is unsecured, interest bearing at 12% per annum, denominated in HK\$ and is repayable on 2026. Subsequent to the date of report, the Group was renewed the borrowing with the lender, repayment was extend to 2027 and all other terms remain unchanged.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 29. LEASE LIABILITIES

	Minimum lease payments		Present value of lease payments	
	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	250	724	235	699
Over one year but within five years	230	168	217	165
	480	892	452	864
Less: Future finance charge	(28)	(28)		
Present value of lease liabilities	452	864		
Less: Amount due for settlement within 12 months (shown under current liabilities)			(235)	(699)
Amount due for settlement after 12 months			217	165

At 31 December 2025, the average effective borrowing rate was ranged from 3.5% to 5.25% (2024: 3.5% to 5.25%) p.a.. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

## 30. ISSUED CAPITAL

	2025	2024
	HK\$'000	HK\$'000
Authorised:		
3,200,000,000 (2024: 3,200,000,000) ordinary shares of HK\$0.025 each	80,000	80,000
Issued and fully paid:		
2,642,875,671 (2024: 2,516,015,671) ordinary shares of HK\$0.025 each	66,072	62,900

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 30. ISSUED CAPITAL (continued)

A summary of movements in the Company's issued capital is as follows:

	Number of shares in issue '000	Issued capital HK\$'000	Shares premium HK\$'000
At 1 January 2024	2,096,016	52,400	445,446
Issue of shares (note (a))	419,000	10,475	4,497
Exercise of share options (note (b))	1,000	25	19
<b>At 31 December 2024 and 1 January 2025</b>	<b>2,516,016</b>	<b>62,900</b>	<b>449,962</b>
<b>Issue of share according to share award scheme (note (c))</b>	<b>104,960</b>	<b>2,624</b>	<b>462</b>
<b>Exercise of share options (note (d))</b>	<b>21,900</b>	<b>548</b>	<b>435</b>
<b>At 31 December 2025</b>	<b>2,642,876</b>	<b>66,072</b>	<b>450,859</b>

Notes:

- (a) On 22 April 2024, the Company and Great Expect Development Limited entered into a subscription agreement in respect of the subscription of 419,000,000 ordinary shares at a price of HK\$0.036 per share. The subscription was completed on 3 May 2024 and the premium on the issue of shares, amounting to approximately HK\$4,497,000, net of share issue expenses of HK\$112,000, was credited to the Company's share premium account.
- (b) On 24 October 2024, the Company issued of 1,000,000 ordinary shares pursuant to exercise of share options by a director.
- (c) On 25 July 2025 and 17 October 2025, the Company issued of 84,000,000 and 20,960,000 ordinary shares pursuant to the strategic cooperation agreements entered into between the Group, directors, certain employees and a consultant, respectively.
- (d) On 25 July 2025 and 23 October 2025, the Company issued of 1,000,000 and 20,900,000 ordinary shares, respectively, pursuant to exercise of share options by participants.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***30. ISSUED CAPITAL (continued)****Capital management**

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may issue new shares. The Group is not subject to any external imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is total liabilities divided by equity attributable to owners of the Company. The gearing ratios as at 31 December 2025 and 2024 were as follows:

	2025	2024
	HK\$'000	HK\$'000
Current liabilities	<b>120,221</b>	109,302
Non-current liabilities	<b>217</b>	165
Total liabilities	<b>120,438</b>	109,467
Equity attributable to owners of the Company	<b>(31,117)</b>	18,288
Gearing ratio	<b>N/A</b>	598.57%

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
ASSETS		
Non-current assets		
Investments in subsidiaries	145	145
	<b>145</b>	145
CURRENT ASSETS		
Due from subsidiaries	9,096	63,065
Other receivables	255	259
Cash and cash equivalents	2,424	2,124
Total current assets	<b>11,775</b>	65,448
CURRENT LIABILITIES		
Other payables and accruals	545	6,555
Other borrowings	35,000	35,000
Due to subsidiaries	7,492	5,750
Total current liabilities	<b>43,037</b>	47,305
NET CURRENT (LIABILITIES)/ASSETS	<b>(31,262)</b>	18,143
Net (liabilities)/assets	<b>(31,117)</b>	18,288
EQUITY		
Issued capital	66,072	62,900
Reserves (Note)	(97,189)	(44,612)
Total equity	<b>(31,117)</b>	18,288

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

A summary of the Company's reserves is as follows:

	Share premium HK\$'000	Contributed surplus HK\$'000	Share- based payment reserve HK\$'000	Shares held under the share award scheme HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	445,446	31,713	18,148	(391)	(518,303)	(23,387)
Loss and total comprehensive loss for the year	-	-	-	-	(26,069)	(26,069)
Equity-settled share-based payments expense	-	-	343	-	-	343
Issue of shares	4,497	-	-	-	-	4,497
Exercise of share options	19	-	(15)	-	-	4
Transfer of share-based payment reserve upon the cancellation/lapse/forfeiture of share options	-	-	(4,232)	-	4,232	-
<b>At 31 December 2024 and 1 January 2025</b>	<b>449,962</b>	<b>31,713</b>	<b>14,244</b>	<b>(391)</b>	<b>(540,140)</b>	<b>(44,612)</b>
Loss and total comprehensive loss for the year	-	-	-	-	(49,404)	(49,404)
Equity-settled share-based payments credit	-	-	(637)	-	-	(637)
Issue of share according to share award scheme	462	-	(3,086)	-	-	(2,624)
Exercise of share options	435	-	(347)	-	-	88
Transfer of share-based payment reserve upon the cancellation/lapse/forfeiture of share options	-	-	(7,181)	-	7,181	-
<b>At 31 December 2025</b>	<b>450,859</b>	<b>31,713</b>	<b>2,993</b>	<b>(391)</b>	<b>(582,363)</b>	<b>(97,189)</b>

## 32. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

**Contributed surplus**

Pursuant to a special resolution passed at the extraordinary general meeting of the Company on 1 September 2010, a contributed surplus account was designated by the Company within the meaning of the Companies Act 1981 of Bermuda so as to carry the amount as follows: (i) the entire amount standing to the credit balance of the share premium account of the Company of HK\$59,873,000 was cancelled and transferred the credits arising from such cancellation to the contributed surplus account of the Company; (ii) transferred of the share premium arising from a capital reduction to the contributed surplus account of the Company; and (iii) the Company offset its accumulated losses in full effective as at 31 August 2010.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***32. RESERVES (continued)****Contributed surplus (continued)**

The contributed surplus of the Company arose as a result of a capital reorganisation and represents the entire amount standing to the credit of the share premium account of the Company as at 31 August 2010 and the credits arising from capital reduction for eliminating or setting off the accumulated losses of the Company from time to time. Under the Companies Act 1981 of Bermuda, the contributed surplus account of the Company may be available for distribution under certain circumstances. However, the Company cannot declare or pay dividend, or make a distribution out of the contributed surplus, if there are reasonable grounds for believing that: (i) it is, or would after the payment be, unable to pay its liabilities as they become due; or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

**33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES****Share option schemes**

The Company operates/operated certain share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute or are expected to contribute to the business or operations of the Group.

Pursuant to the share option scheme on 15 September 2021 (the "2021 Share Option Scheme") and share option scheme on 2 May 2024 (the "2024 Share Option Scheme"), the Company might grant options to the eligible participants to subscribe for ordinary shares in the Company subject to the terms and conditions stipulated therein. The 2021 Share Option Scheme terminated on 2 May 2024 and the Group has stopped granting share options under the 2021 Share Option Scheme. The 2024 Share Option Scheme became effective after the adoption and, unless otherwise cancelled/amended, will remain in force for 10 years from the effective date.

***2021 Share Option Scheme***

The Company adopted the 2021 Share Option Scheme, whereby the directors may at their discretion grant options to (i) any directors, whether executive or non-executive and whether independent or not, of the Group; (ii) full time or part time employees of the Group; and (iii) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers or distributors of the Group, to subscribe for shares of the Company during such period as may be determined by the directors of the Company (which shall not be more than ten years from the date of issue of the relevant options).

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)****Share option schemes (continued)*****2021 Share Option Scheme*** (continued)

The maximum number of unexercised share options currently permitted to be granted under the 2021 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2021 Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting. Options may be granted without any initial payment at a price (subject to adjustments as provided therein) equal to the higher of (i) the nominal value of the shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

***2024 Share Option Scheme***

The Company adopted the 2024 Share Option Scheme on 2 May 2024, whereby the directors may at their discretion grant options to (i) employees of the Group and (ii) any service providers (e.g. independent distributor, contractor, supplier, agent, consultant or adviser) to the Group's business of (i) the media and entertainment business; and/or (ii) the cremation and funeral services business, to subscribe for shares of the Company during such period as may be determined by the directors of the Company (which shall not be more than ten years from the date of issue of the relevant options).

The maximum number of unexercised share options currently permitted to be granted under the 2024 Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2024 Share Option Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting. Options may be granted without any initial payment at a price (subject to adjustments as provided therein) equal to the higher of (i) the nominal value of the shares; (ii) the closing price per share as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; and (iii) the average closing price per share as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant. Each option gives the holder the right to subscribe for one share.

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

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)

## Share option schemes (continued)

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

	2025		2024	
	Weighted average exercise price HK\$ per share	Number of options	Weighted average exercise price HK\$ per share	Number of options
At 1 January	0.152	134,407,000	0.172	174,773,600
Exercised during the year	0.029	(21,900,000)	0.029	(1,000,000)
Cancelled/lapsed/forfeited during the year	0.232	(64,337,000)	0.243	(39,366,600)
At 31 December	0.102	48,170,000	0.152	134,407,000

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

## 2025

Number of outstanding share options	Exercise price per share HK\$	Exercise period
6,370,000	0.581	12 July 2019 – 11 July 2029
41,800,000	0.029	13 October 2022 – 12 October 2032
48,170,000		

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)****Share option schemes** (continued)

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows: (continued)

2024

Number of outstanding share options	Exercise price per share HK\$	Exercise period
6,370,000	0.581	12 July 2019 – 11 July 2029
64,337,000	0.232	12 April 2022 – 11 April 2025
63,700,000	0.029	13 October 2022 – 12 October 2032
134,407,000		

Share options of 21,900,000 (2024: 1,000,000) were exercised during the year ended 31 December 2025.

At the end of reporting period, the Company had 48,170,000 (2024: 134,407,000) share options outstanding and exercisable under the 2021 Share Option Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 48,170,000 (2024: 134,407,000) additional ordinary shares of the Company and additional issued capital of approximately HK\$1,204,000 (2024: HK\$3,360,000) and share premium of approximately HK\$3,709,000 (2024: HK\$17,114,000) (before issue expense).

At the date of approval of these consolidated financial statements, the Company had 48,170,000 (2024: 134,407,000) share options outstanding under the 2021 Share Option Scheme, which represented approximately 1.8% (2024: 5.3%) of the Company's shares in issue as at that date.

**Share award schemes**

On 6 December 2019, the Company adopted a share award scheme for the purpose of recognising the contributions by certain eligible persons and providing them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group. On 10 July 2023, given that the trustee does not hold any awarded share and the Company does not expect to grant further award under the share award scheme in the forthcoming financial year, in order to reduce administrative cost of the Company, the board of directors has resolved to terminate the share award scheme with effect from 10 July 2023.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)****Share award schemes (continued)**

Upon termination of the share award scheme, the Trustee shall sell all the shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company and remit all cash and net proceeds of such sale and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, expenses and other existing and future liabilities in accordance with the Trust Deed) to the Company.

On 2 May 2024 (the "Adoption Date"), the Company adopted a new share award scheme (the "Share Award Scheme") for the purpose of recognising the contributions by certain eligible persons and providing them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for the growth and further development of the Group.

Eligible persons of the Share Award Scheme include (i) employees of the Group and (ii) any service providers (e.g. independent distributor, contractor, supplier, agent, consultant or adviser) to the Group's business of (i) the media and entertainment business; and/or (ii) the cremation and funeral services business. The Share Award Scheme will remain in force for 10 years from the Adoption Date, unless otherwise terminated or amended.

The aggregate number of shares of the Company currently permitted to be awarded under the Share Award Scheme is limited to 10% of the entire issued share capital of the Company as at the Adoption Date without shareholders' approval.

The following table shows shares held by the Company under the Share Award Scheme during the year:

	2025		2024	
	Number of ordinary shares	Shares Held Under the Share Award Scheme HK\$'000	Number of ordinary shares	Shares Held Under the Share Award Scheme HK\$'000
At 1 January and 31 December	600,000	391	600,000	391

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)****Share award schemes (continued)**

During the year ended 31 December 2025, the Group changed the allotting and issuing the Company's shares to consultants and employees under below strategic cooperation agreements from the general mandate to the Share Award Scheme.

The following table shows awarded shares under the Share Award Scheme during the year ended 31 December 2025:

	<b>2025 Number of awarded shares</b>
At 1 January	–
Addition during the year	<b>576,000,000</b>
Vested and shares allotted during the year	<b>(104,960,000)</b>
Lapsed during the year	<b>(332,000,000)</b>
At 31 December	<b>139,040,000</b>
Vested but shares not yet allotted as at 31 December	<b>9,040,000</b>

The related weighted-average share price at the time when the share award were vested was HKD0.031 per share for the year ended 31 December 2025.

**Strategic cooperation agreements A**

On 17 March 2023, the Group separately entered into certain strategic cooperation agreements ("Agreements A") with four consultants who are industry experts in order to cooperate and to leverage on their network and experience in the media and entertainment segment. Pursuant to each of the strategic cooperation agreements, a specific consultant shall render certain services, as defined in the agreement, to the Group and, in consideration of the services, the Company shall allot and issue, (i) 15,000,000 ordinary shares of the Company (the "Shares") to the consultant or its nominee if the respective target profit attributable to an indirect wholly-owned subsidiary of the Company (the "Target Profit"), as defined in the agreement, achieved is not less than HK\$1,500,000 by or before the end of the respective term (the "Term"), being a period of two years from the date of the agreement, or (ii) 30,000,000 Shares to the consultant or its nominee if the respective Target Profit achieved is not less than HK\$3,000,000 by or before the end of the respective Term; or in the event that the respective Target Profit achieved is less than HK\$1,500,000 by the end of the respective Term, the consultant shall not be entitled to and the Company shall not allot and issue any Shares to the consultant. Further details of the Agreements A are set out in an announcement of the Company dated 17 March 2023.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)****Strategic cooperation agreements A (continued)**

Management had assessed the relevant terms and condition of the Agreements A with four consultants, the Arrangement A should be accounted for as equity-settled share-based payment transactions. The fair value of the share-based payment will initially recognize when the services was rendered. During the year ended 31 December 2025, a consultant fulfilled and achieved the Target Profit, which is not less than HK\$3,000,000. Accordingly, a total of 30,000,000 Shares shall be allotted and issued by the Company to the consultant. As the maximum number of Shares which may be allotted and issued under the Share Award Scheme to the service providers of the Company is 20,960,156 Shares, the Board resolved to firstly grant 20,960,000 Shares on 10 October 2025. The remaining 9,040,000 Shares shall be allotted and issued by the Company after the refreshment of relevant service provider sub-limit under the Share Award Scheme. The Group recognized equity-settled shared-based payment expenses of approximately HK\$930,000 (2024: nil). As the respective performance targets during the Term under the other three strategic cooperation agreements were not achieved, the Group will not grant any shares to other three consultants.

Further details are set out in an announcement of the Company dated 10 October 2025.

**Strategic cooperation agreements B**

On 13 July 2023, the Group and the respective subsidiaries separately entered into certain strategic cooperation agreements with three consultants ("Agreements B") in order to cooperate and to leverage on their network and experience and future business opportunities. Pursuant to each of the strategic cooperation agreements, the Company or respective subsidiary(ies) has agreed to engage the respective consultants for provision of respective services; (ii) the respective consultants has agreed to render the respective services to the Group in relation to the respective business on the terms and conditions set out in respective Agreements B. A maximum of 90,000,000 new shares might be allotted and issued to consultants. If the respective service cannot be achieved on or before the end of the respective term, the Company shall not allot and issue any Shares to the consultants. Further details of the Agreements B are set out in an announcement of the Company dated 17 July and 24 August 2023.

Management had assessed the relevant terms and condition of the Agreements B with three consultants, the Agreements B should be accounted for as equity-settled share-based payment transactions. The fair value of the share-based payment will initially recognize when the services was rendered. During the year ended 31 December 2025, no equity-settled share-based payment (2024: nil) recognise as expenses since no services was provided.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***33. SHARE OPTION SCHEMES AND SHARE AWARD SCHEMES (continued)****Strategic cooperation agreements C**

On 13 July 2023, the Group and the respective subsidiaries separately entered into certain strategic cooperation agreements with nine employees ("Agreements C") with the aim of motivating the relevant personnels of the Group to, including but not limited to, identify relevant experts and consultants to enhance the Group's business and monitor the performance of the relevant expert and consultants from time to time. Pursuant to each of the strategic cooperation agreements, the Company or respective subsidiary(ies) has agreed to allotted and issued certain shares to the respective employee if the respective subsidiaries can achieve target profit for three year period in relation to the respective business on the terms and conditions set out in respective Agreements C. A maximum of 366,000,000 new shares might be allotted and issued to employees. If the target profit of subsidiaries cannot be achieved on or before the end of the respective term, the Company shall not allot and issue any Shares to the employees. Further details of the Agreements C are set out in an announcement of the Company dated 17 July and 24 August 2023.

Management had assessed the relevant terms and condition of the Agreements C with nine employees, the Agreements C should be accounted for as equity-settled share-based payment transactions. The fair value of the share-based payment is recognise at when the services was begun. During the year ended 31 December 2025, the Group recognized equity-settled shared-based payment credit of approximately HK\$1,567,000 (2024: expenses of approximately HK\$343,000) in respect of the services provided by employee to the Group. During the year ended 31 December 2025, certain terms of Agreement C were fulfilled and achieved the Target Profit. Accordingly, a total of 84,000,000 shares allotted and issued by the Company to the employee under Share Award Scheme. (2024: Nil)

At the date of approval of these financial statements, the Company had 130,000,000 Awarded Shares unvested under the Share Award Scheme, which represented approximately 4.88% of the Company's ordinary shares in issue at that date.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***34. OTHER SHARE BASED PAYMENT ARRANGEMENT AND PROFIT GUARANTEE****Strategic Cooperation Agreement D and Profit Guarantee**

On 19 November 2019, the Company and Never, an indirect wholly-owned subsidiary of the Company, entered into a strategic cooperation agreement (the "Agreement D") with an independent consultant (the "Consultant D"). Pursuant to the Agreement D, Never has engaged the Consultant D as an independent service provider to provide certain services (the "Services") in co-operation with Never and in relation to certain businesses of the Group from time to time over an original three-year cooperation period and the Consultant D has guaranteed to Never that the guaranteed profit (the "Guaranteed Profit") to be derived from certain concerts or events to be organised or produced by the Group or certain concerts or events to be invested in or participated in by the Group (the "Shows") during the same three-year cooperation period should not be less than HK\$30 million (the "Profit Guarantee"). A company related to the Consultant D has also executed a corporate guarantee in favour of Never as security to the obligations of the Consultant D under the Agreement D. During the prior year, the cooperation period was extended to 31 December 2024 (the "Extension").

In consideration of the Services to be provided during the cooperation period, Never has agreed to pay to the Consultant D certain consultancy fee. In addition to the consultancy fee, as an incentive to the Consultant D, the Company also allotted and issued to the Consultant D 33,000,000 ordinary shares of the Company (the "New Shares") on 13 December 2019 (the "Measurement Date").

Management had assessed the relevant terms and conditions of the share-based payment arrangement (the "Arrangement") with the Consultant D, which includes the Profit Guarantee undertaken by the Consultant D, in accordance with the terms of the Agreement D and considered that based on the substance and purpose of the Arrangement, the Arrangement should be accounted for as equity-settled share-based payment transactions, which comprise share-based payments for (i) the prepayment of Services to be provided by the Consultant D, which was initially accounted for in accordance with HKFRS 2 Share-based Payment, and (ii) the Profit Guarantee, which is classified as a financial asset at fair value through profit or loss and accounted for in accordance with HKFRS 9 Financial Instruments.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***34. OTHER SHARE BASED PAYMENT ARRANGEMENT AND PROFIT GUARANTEE****Strategic Cooperation Agreement D and Profit Guarantee** (continued)

Given the specific nature of the Services and the Arrangement, management considered that there was no available market price for the Services at the Measurement Date. Management also considered that the range of reasonable fair value estimates of the Services was so significant that the Group had rebutted the presumption that the fair value of the Services could be estimated reliably. Accordingly, the Group estimated the fair value of the share-based payment for the Services indirectly based on the difference between the fair value of the New Shares issued and the fair value of the Profit Guarantee at the Measurement Date, as management considered that these components are linked. The fair value of the New Shares at the Measurement Date of approximately HK\$21,780,000 was determined based on the quoted market price of the Company's ordinary shares at that date. For the Profit Guarantee, the Group estimated its fair value at the Measurement Date with reference to certain production cost estimates of potential future Shows during the profit guarantee period and their estimated profit-sharing projections based on certain assumptions and available data to determine whether there would be any shortfall in the Guaranteed Profit based on the terms of the Agreement D, with the assistance of certain independent professionally qualified external valuers. Based on such estimation and measurement, there would not be any material shortfall in the Guaranteed Profit and the fair value of the Profit Guarantee was estimated by management to be negligible at the Measurement Date. Accordingly, the Group has measured the fair value of the Services at the Measurement Date by reference to the entire fair value of the New Shares issued on that day.

The fair value of the share-based payment was initially recognised as a prepayment for the Services not yet rendered and the cost of such prepayment will be charged to profit or loss when the Services are rendered over the cooperation period to reflect the fulfilment of relevant conditions for the rendering of the Services by the Consultant D in accordance with the terms of the Agreement D. Accordingly, prepayment of HK\$21,780,000, issued capital of HK\$825,000 and share premium of HK\$20,955,000 were recognised by the Group during the year ended 31 December 2019. During the year ended 31 December 2024, the Group recognised strategic cooperation expense of approximately HK\$6,414,000 in respect of the Services provided by the Consultant D to the Group, with a corresponding reduction in the prepayment under the Arrangement. For the year ended 31 December 2024, the Guaranteed Profit had been achieved by Consultant D.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS****(a) Changes in liabilities arising from financing activities**

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	Lease liabilities HK\$'000	Other borrowings HK\$'000	Total HK\$'000
At 1 January 2024	1,161	65,000	66,161
Changes in cash flows	(1,272)	(29,716)	(30,988)
Non-cash changes			
– Additions	945	–	945
– Interest charged	70	–	70
– Disposal of subsidiaries (Note 35(d))	(85)	–	(85)
– Foreign exchange movement	45	(284)	(239)
At 31 December 2024 and 1 January 2025	<b>864</b>	<b>35,000</b>	<b>35,864</b>
Changes in cash flows	<b>(818)</b>	<b>30,000</b>	<b>29,182</b>
Non-cash changes			
– Additions	<b>404</b>	–	<b>404</b>
– Interest charged	<b>43</b>	–	<b>43</b>
– Early termination	<b>(55)</b>	–	<b>(55)</b>
– Foreign exchange movement	<b>14</b>	–	<b>14</b>
At 31 December 2025	<b>452</b>	<b>65,000</b>	<b>65,452</b>

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)****(b) Purchase of non-controlling interests**

During the year ended 31 December 2025, the Group acquired 20% interests in a 80% subsidiary from the non-controlling shareholder at a cash consideration of HK\$2. During the year ended 31 December 2024, the Group acquired 30% interests in a 70% subsidiary from the non-controlling shareholder at a cash consideration of HK\$300. The effect of the acquisition on the equity attributable to the owners of the Company is as follows:

	2025 HK\$'000	2024 HK\$'000
Share of net liabilities in the subsidiaries acquired	(438)	(813)
Consideration	—*	—*
Loss on acquisition recognised directly in equity	(438)	(813)

\* The amount is less than one thousand.

**(c) Disposal of Sage Cemetery Sales & Management Inc. ("Sage Cemetery")**

On 13 June 2025, Sage International Group Corporation, being a wholly-owned subsidiary of the Company, and Mr. Chui Bing Sun, being an independent third party, entered into the sale and purchase agreement for sale of entire issued share capital of Sage Cemetery, at a total consideration of HK\$1,200,000. The disposal of Sage Cemetery was completed on 19 June 2025.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)****(c) Disposal of Sage Cemetery Sales & Management Inc. ("Sage Cemetery")**  
(continued)

Net assets at the date of disposal were as follows:

	HK\$'000
Intangible assets	1,570
Net assets disposed of	1,570
Loss on disposal of subsidiaries	(370)
	1,200
Total consideration – satisfied by cash	1,200
Net cash inflow arising on disposal:	
Cash consideration received	1,200

**(d) Disposal of Grand Creation Investments Limited ("Grand Creation")**

On 12 July 2024, Grand Creation, being a wholly-owned subsidiary of the Company, and Ms. Ma Pun Sai Betsy, being an independent third party, entered into the sale and purchase agreement (the "Sale and Purchase Agreement") for sale of entire issued share capital of Luck Point, at a total consideration of HK\$3,800,000 (the "Disposal"). Luck Point was a wholly-owned subsidiary of the Company as at date of the Sale and Purchase Agreement, which owns 70% interest in Huai Ji. Huai Ji operates a funeral parlor in Huai Ji County and has the operating right to operate funeral business, with a term of 25 years and will be expired on 27 July 2025. The Disposal was completed on 13 August 2024.

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

## 35. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

## (d) Disposal of Grand Creation Investments Limited ("Grand Creation")

(continued)

Net assets at the date of disposal were as follows:

	HK\$'000
Property, plant and equipment	13,449
Right-of-use assets	84
Intangible assets	8,724
Inventories	269
Trade receivables	2,100
Prepayments, deposits and other receivables	3,105
Cash and cash equivalents	3,410
Trade and other payables	(8,074)
Deferred income	(3,050)
Lease liabilities	(85)
Tax payable	(74)
Deferred tax liabilities	(2,181)
<b>Net assets disposed of</b>	<b>17,677</b>
Release of foreign currency translation reserve	1,382
Non-controlling interests	(5,664)
Loss on disposal of subsidiaries	(9,595)
	<b>3,800</b>
Satisfied by:	
Cash consideration	2,300
Cash consideration not yet received included in other receivables	1,500
	<b>3,800</b>
Net cash inflow arising on disposal:	
Cash consideration received	2,300
Cash and cash equivalents disposed of	(3,410)
	<b>(1,110)</b>

## Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

### 36. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions, arrangements and balances detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

	Notes	2025 HK\$'000	2024 HK\$'000
Related parties:			
Management fee income	(i)	<b>2,393</b>	6,561
Lease payments	(i) and (ii)	<b>1,414</b>	1,006
Loan interest expenses	(iii)	<b>5</b>	118
Design and printing fee	(iv)	–	97
Handling fee income	(iv)	–	599
Artiste fees	(iv)	–	108
Royalty fees	(iv)	<b>158</b>	–
Share of net income from entertainment events organised by a related company	(iv)	<b>116</b>	–
Share of net loss from entertainment events organised by the Group	(i) and (iv)	–	(53)

Notes:

- (i) The income/expense was charged to/by non-controlling shareholders of indirect subsidiaries of the Company.
- (ii) During the current and prior years, the Group had certain lease arrangements (“Lease Arrangements”) with lease terms ranging from 12 to 24 months with certain related companies, in which a major subsidiary’s of the Company and a non-controlling shareholder of a indirect subsidiary of the Company is a beneficial owner of the related companies. As at 31 December 2025, the Group had right-of-use assets and lease liabilities in connection with the Lease Arrangements of nil (2024: HK\$71,000) and nil (2024: HK\$73,000), respectively, and lease payments of approximately HK\$36,000 (2024: HK\$48,000) and lease payments in connection with the Lease Arrangements of approximately HK\$1,378,000 (2024: HK\$958,000) were paid to the related companies during the year ended 31 December 2025.
- (iii) The interest was arising from a loan of HKD3,000,000 from a related company which a major subsidiary’s director of the Company are a beneficial owner of the related company, which bears interest at 8% per annum and was settled during the year ended 31 December 2025. The interest was arising from a loan of RMB9,600,000 from Mr. Dong Choi Chi, Alex, which bears interest at 3% per annum and was settled during the year ended 31 December 2024.
- (iv) The income/expenses was charged to/by related companies which major subsidiary’s directors of the Company are a beneficial owner of the related companies.

**Notes to the Consolidated Financial Statements***For the year ended 31 December 2025***36. RELATED PARTY TRANSACTIONS (continued)****(b) Key management personnel compensations**

	2025	2024
	HK\$'000	HK\$'000
Short term employee benefits	5,122	4,845
Equity-settled share-based payment expense	–	214
Pension scheme contributions	54	54
<b>Total compensation paid to key management personnel</b>	<b>5,176</b>	5,113

Further details of the directors' and chief executive's emoluments are included in note 14 to the consolidated financial statements.

**37. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation. The changes included the reclassification of certain other tax payable previously classified under income tax payable to trade payables, other payables, accruals and other financial liabilities. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

**38. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

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

## Five Years Financial Highlights

The following table summarises the results, assets and liabilities of the Group for the last five financial years as extracted from the published audited financial statements:

	2025	2024	2023	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
REVENUE	<b>123,457</b>	148,899	223,583	35,758	49,029
LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY	<b>(49,206)</b>	(26,137)	(31,614)	(58,452)	(69,142)
TOTAL ASSETS	<b>83,749</b>	123,549	150,288	143,684	209,706
TOTAL LIABILITIES	<b>(120,438)</b>	(109,467)	(118,883)	(83,651)	(87,386)
NET (LIABILITIES)/ASSETS	<b>(36,689)</b>	14,082	31,405	60,033	122,320