



諾科達科技
NOVAUTEK

NOVAUTEK TECHNOLOGIES GROUP LIMITED

諾科達科技集團有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 519

Annual Report
2025



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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wu Zhanming
(Chairman and Acting Chief Executive Officer)
Mr. Wu Tao

NON-EXECUTIVE DIRECTOR

Dr. Chan Kin Keung Eugene *SBS, BBS, JP*

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Luk Shan

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR IN HONG KONG

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

SHARE REGISTRAR IN BERMUDA

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

PRINCIPAL BANKS

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

AUDITOR

Forvis Mazars CPA Limited
Certified Public Accountants

SOLICITORS

Han Kun Law Offices LLP
ONC Lawyers

STOCK CODE

HKEX: 519

WEBSITE

www.novautekgroup.com

Dear Shareholders,

On behalf of the Board of Novautek Technologies Group Limited, I would like to present to all Shareholders the annual report and the audited consolidated financial statements of the Group for the financial year ended 30 June 2025 ("FY2025").

At this juncture of profound global economic restructuring and accelerated technological revolution, amidst supply chain restructuring and the explosive growth of AI technology, the Group embraced the core principles of "technology-driven, ecosystem symbiosis and resilient growth". We pioneered the deployment of next-generation productivity tools – AI RaaS (AI Robotics-as-a-Service), initiating a historic transformation towards becoming an intelligent productivity platform. Throughout this transformative journey, the Group achieved substantive breakthroughs in key areas including new business expansion, global footprint, technological application innovation, and talent ecosystem construction. These advancements garnered significant recognition and sustained attention from investors and the market. This not only underscores the global urgent need for intelligent technology and the unique value of Chinese technological solutions but also demonstrates the market's unwavering confidence in the Group's strategic transformation, injecting robust momentum into its future development.

I. ROBOTS BUSINESS

Since the strategic rebranding to "Novautek Technologies" in February 2025, the Group has marked its comprehensive transformation from traditional property and investment to intelligent robots technology, applications, and services. Focusing on the field of intelligent robot innovation and application, the Group has achieved service-oriented upgrades through its AI RaaS platform, deploying solutions across diverse scenarios. At present, the robots business is progressing smoothly, with the Hong Kong market experiencing explosive growth trends. User numbers have significantly increased, and multiple flagship projects have been simultaneously implemented, effectively addressing pain points on the ground. This fully demonstrates the contemporary landscape of "Artificial Intelligence +" in robot service and application innovation, earning widespread acclaim and high recognition from both the industry and society. In terms of talent development, we have established the Novautek Intelligent Technology Application R&D Center at Hong Kong Science Park to strengthen our core technical talent reserves, while building industry-academia-research integration and training mechanisms. By assembling cross-disciplinary innovation teams, we are optimizing our talent structure to match the needs of our new business development. We have increased investment in the R&D of cutting-edge technologies and applied technologies, and are building a global platform.

II. PROPERTY BUSINESS

The Group's Wuxi project is progressing smoothly, with commercial leasing activities advancing in an orderly manner. Building upon the Wuxi project, we are driving deep integration between property and technology. Our robots business and property business are synergistically advancing to deliver intelligent commercial projects, so as to boost operational efficiency and meet post-pandemic service and safety requirements. Furthermore, leveraging existing asset platforms, the Wuxi project team is actively implementing the global strategy of "Made in China, Empowered the World". By strengthening talent structures and developing a precisely targeted marketing network, the team has achieved phased results in global operations, enhancing project value and overall competitiveness.

CHAIRMAN'S STATEMENT

III. INVESTMENT BUSINESS

In terms of investment, the Group has consistently kept pace with the times through keen industry insight, proactively positioning itself in the fields of artificial intelligence, intelligent driving, and robots, while focusing on the industrialization and globalization of cutting-edge technologies. The establishment of Novautek Autonomous Driving Limited ("Novautek Autonomous Driving") represents a strategic leap in the Group's history. Currently, the investment segment has formed a closed-loop of "technology empowerment – scenario application – ecosystem synergy," continuously fueling the Group's transformation into a technology-driven service enterprise. By leveraging capital to accelerate technology commercialization, we actively cultivate a collaborative ecosystem centered on industrial symbiosis, thereby establishing a second growth curve for the Group.

IV. FUTURE OUTLOOK

Looking ahead to 2025 and beyond, we are fully confident in establishing the development of new businesses after transformation as the most important direction for the Group. Anchored in our established strategic direction and maintaining core resilience, the Group will optimize its asset structure towards a "lighter, higher-value" composition and unleash organizational efficiency through lean operations. On one hand, the Group will deepen the integration of technology and product ecosystems, leveraging advanced intelligent technologies to strengthen the development of our "Agent" digital marketing platform. We will accelerate global market expansion with the industry-first AI RaaS solution and plan to establish a presence in key Southeast Asian countries and regions by 2026, driving sustainable growth through technological application. On the other hand, we will embrace industry changes with an open mindset and align with market demands through pragmatic initiatives. We will proactively explore and cultivate new growth engines, striving to become a sustainable value creation platform grounded in industrial strength, powered by technology, and connected through capital.

On behalf of the Group, I would like to extend my deepest respect and sincere gratitude to everyone who has supported us over the past year. My special gratitude goes to our Shareholders—it is your trust and support that give us the confidence to forge new paths amid transformation. I would also like to extend my highest respect to all staff. It is your dedicated efforts that form the core driving force behind the Group's development. It is precisely the relentless hard work of every colleague that has built the Group's solid foundation. Furthermore, I wish to thank our partners and all sectors of society for their care and assistance, which have provided the Group with an even broader platform for development.

Storms may still lie ahead, but as long as we hold fast to our convictions, stay grounded and dare to innovate, Novautek Technologies Group Limited will undoubtedly embrace even broader horizons for growth. Let us join hands and march forward with unwavering determination toward the future!

Thank you!

By order of the Board

Wu Zhanming

Chairman and Acting Chief Executive Officer

Hong Kong, 29 September 2025

BUSINESS REVIEW

The Group's principal businesses were property development, property investment, investment holding and AI robots during FY2025. Navigating a complex market landscape, the Group focused on achieving breakthroughs in strategic emerging businesses while maintaining stable operations in traditional sectors. Among these, the AI robots business emerged as a key driver for the Group's future growth.

PROPERTY DEVELOPMENT

After the acquisition of Wuxi Shengye in June 2017, the pre-sale of the properties under development commenced in October 2017 and the construction of the Wuxi Property Project has completed gradually as at 30 June 2023. Most of the apartment portion of the first and second phase have been delivered to customers as at 30 June 2021. During FY2025, some apartments of the third phase were delivered to customers and recognised a revenue of HK\$19,794,000 with an overall gross profit margin of 30% after reversing the revaluation consolidated adjustment. As at 30 June 2025, the sales amount of the contracts signed but properties not yet delivered were approximately HK\$13,898,000. Looking ahead to 2026, although affected by the weak overall economic climate currently, the real estate market is relatively sluggish, as China's "stabilizing the real estate sector" policies gain further traction, including the dynamic adjustment of first-home mortgage rates, optimization of existing mortgage loans and a moderate relaxation of home-purchase restrictions in cities, both essential and improvement-oriented housing demand are expected to be gradually released.

PROPERTY INVESTMENT

The Group commenced sub-division of the property of the whole 24th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong (the "Sub-division Properties") in October 2018 and the sub-division was completed in February 2019. The Sub-division Properties included three self-use units and fifteen leasing units as at 30 June 2025. The fair value of the Sub-division Properties classified as investment properties and non-current assets classified as held for sales as at 30 June 2025 was HK\$204,700,000 (30 June 2024: HK\$266,400,000). The Hong Kong Grade-A office market was weighed down by a slower global economic recovery, weakened corporate expansion demand, and a persistent high-interest-rate environment. As a result, the fair value of the Group's investment properties located in Hong Kong decreased by HK\$61,700,000 for FY2025 (2024: HK\$14,500,000). It is emphasised that the fair value loss was non-cash in nature.

Additionally, the Group adjusted the remaining commercial properties in the Wuxi Property Project with a combined total area of approximately 54,000 square meters from held for sales to rental purposes to develop an AI technology industrial park during the year. Anchored on the AI robotics industry chain, the park will feature supporting facilities such as a warehouse center, exhibition and sales center, cross-border service center, and R&D center. It aims to attract upstream and downstream technology innovation enterprises, including companies in autonomous driving algorithm R&D, sensor manufacturing, and chip design. By providing office and production space to foster an industrial cluster, the park is designed to create technological, market, and supply chain synergies with the Novautek's smart-driving business, thereby further strengthening its foothold in the AI robots sector. Additionally, during FY2025, there are 785 parking spaces in total in the leased car park (the "Car Park") of the Wuxi Property Project, and the fair values of its Car Park and commercial properties (the "Commercials") were HK\$42,874,000 and HK\$691,041,000, respectively.

The Group's investment properties contributed rental and management income of HK\$11,813,000 in total for FY2025 (2024: HK\$6,616,000). The newly leased Car Park and Commercials have brought in more revenue to the Group for FY2025.



MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENT HOLDING

The Group's investment strategy for its investment holding business is mainly to diversify its investments in unlisted investment funds, listed equity securities and listed debt instruments. For FY2025, the Group recorded interest and dividend income from financial assets at FVPL of HK\$779,000 (2024: HK\$6,448,000), net gain on disposal of financial assets at FVPL of HK\$15,093,000 (2024: HK\$738,000) and a net decrease in fair value of financial assets at FVPL of HK\$19,920,000 (2024: HK\$14,636,000). Details of the significant investments held by the Group for FY2025 are set out as follows:

1. Zall Smart Commerce Group Ltd. ("Zall Smart")

As at 30 June 2025, the Group held 94,401,000 ordinary shares of Zall Smart, representing approximately 0.8% of the total issued share capital of Zall Smart. The shares of Zall Smart are listed on the Main Board of the Stock Exchange (stock code: 2098). Zall Smart and its subsidiaries are principally engaged in developing and operating large-scale consumer product-focused wholesale shopping malls, and providing supply chain management and trading business, e-commerce services, financial services, warehousing and logistics services for online and offline customers in the PRC. The acquisition cost of Zall Smart's shares held by the Group as at 30 June 2025 was HK\$1.28 per share. As at 30 June 2025, the fair value of the investment in Zall Smart was approximately HK\$18,408,000, which represented approximately 1.5% of the Group's total assets. During FY2025, the Group disposed of 8,246,000 shares of Zall Smart and recognised a loss on disposal of HK\$508,000, while the fair value of the Group's investment in Zall Smart decreased by HK\$23,128,000. Apart from that, the Group had not received or recognised any dividends or other investment income from its holding of Zall Smart's shares.

2. Jinshan Portfolios – Horizon Robotics

As at 30 June 2024, the Group held 5,000,000 participating and non-voting shares of Jinshan Portfolio (the "Jinshan Portfolios") at a total subscription amount of US\$5,000,000, which represented approximately 16.67% of the Jinshan Portfolios under Huangpu River Capital SPC (the "Huangpu River Fund").

The investment objective of the Huangpu River Fund is capital appreciation by investing in the series C preferred stock of Horizon Robotics, which is principally engaged in the provision of providing automotive solutions for passenger vehicles with proprietary software and hardware and also providing non-automotive solutions to enable device manufacturers to design and manufacture devices and appliances with enhanced levels of intelligence. Horizon Robotics was listed on the Main Board of the Stock Exchange on 24 October 2024, with stock code 9660.HK.

During FY2025, through the Huangpu River Fund, the Group disposed of 10,690,660 shares in Horizon Robotics under the Jinshan Portfolios, recognizing a redeemed consideration of approximately HK\$52,809,000, resulting in a net disposal gain of HK\$2,097,000. Based on the investment cost of HK\$38,750,000, the disposal of the Jinshan Portfolios resulted in a net gain of HK\$11,187,000. Additionally, the Group did not receive or recognize any dividends or other investment income from its holdings in the Jinshan Portfolios.

The remaining investments held by the Group mainly included unlisted investment funds, listed equity securities and listed debt instruments, each of which represented less than 5% of the Group's total assets as at 30 June 2025.

AI ROBOTS

Globally, the robotics industry is booming, with AI robots standing out as a high-growth core segment. The global AI robots market has witnessed explosive growth in recent years. According to market research report of Statista, a market data platform, the scale of the global AI robots market will be approximately US\$22.63 billion in 2025, with an estimated annual growth rate of approximately 26.82% from 2025 to 2031. As one of the world's largest robotics markets, China is a key driver of this global expansion, a momentum fueled by its vast manufacturing base, rapidly growing service sector, and substantial government backing for technological innovation.

1. Current Development

AI robots is a central pillar of the Company's development. With the steady progress of our related initiatives, the Group has already secured a series of notable achievements in this field. During FY2025, the Company's AI robots segment recorded a significant year-on-year increase in revenue. As at the date of this annual report, the aggregate value of contracted but unrecognized revenue stands at approximately HK\$4,730,000. Over the past year, the Group has consistently increased R&D investment, AI algorithm capabilities have been continuously enhanced, hardware performance design has driven ongoing innovation, and positive progress has been made in the application development of multimodal large models supporting Cantonese dialogue, motion gesture recognition, facial expression recognition, etc.

2. Market Expansion

In terms of market expansion, the Group has made steady progress in advancing its dual-track strategy of developing both Hong Kong and international markets. In the Hong Kong market, we have established collaborations with multiple government departments, developers and property management clients. We have successfully entered the supplier lists of numerous major corporations, with our services spanning housing estates, shopping malls, office buildings, hotels, schools, hospitals, airports, parks, power facilities and sports venues. We create value to clients through our AI RaaS integrated solutions and diverse business collaboration models. Nevertheless, in 2025, the Group actively expanded its market presence to solidify its business foundation through collaborations with diverse enterprises and institutions. In 2026, we will fully advance multi-scenario replication and deepen cooperative partnerships.

In the international market, the Group promoted its products and solutions to multiple regions including the Middle East, Southeast Asia, Europe, North America and South America. It has made sales to the Middle East and Southeast Asia, providing robots application services to local customers. Meanwhile, the Group has signed cooperation agreements with major enterprises in countries such as Malaysia and Pakistan, further expanding its global business influence.



MANAGEMENT DISCUSSION AND ANALYSIS

3. Future Plans

In the future, the Group will comprehensively enhance its core competitiveness in the field of AI robots through four dimensions, i.e., technological innovation, product optimization, market expansion and ecosystem construction. In terms of technology and product, the Group plans to continuously increase its R&D investment over the next three years, focusing on key technologies such as AI innovation applications and robotic cluster scheduling, and accelerate the transformation of research outcomes through deepening industry-academia-research collaboration. At the same time, we will continuously enrich our product lines according to market demands, develop new types of robots for scenarios like family services and healthcare and elderly care, and upgrade the software and hardware of existing products to enhance user experience, gradually transforming towards providing integrated solutions that combine software and hardware.

In terms of the market and ecosystem, the Group will adopt a dual-track expansion strategy: (i) in the Hong Kong market, we will focus on vertical sectors such as smart communities and intelligent manufacturing to strengthen brand influence; and (ii) in the international market, we will consolidate its existing layout and explore emerging regions, build a global marketing and service system, and actively participate in international standard-setting to enhance our say. In addition, the Group will also enhance the resilience of the supply chain through collaborative cooperation along the upstream and downstream of the industrial chain, participate in the construction of industry standards to regulate market order, and join hands with universities to strengthen cultivation of professional talents, thereby building a solid talent and industrial ecosystem foundation for sustainable development.

FINANCIAL REVIEW

REVENUE, COST OF SALES AND GROSS PROFIT MARGIN

The revenue of the Group decreased by HK\$7,262,000, or approximately 18%, from HK\$41,057,000 for FY2024 to HK\$33,795,000 for FY2025. The revenue sources for FY2025 became more diversified, not only including sales of properties and rental income from properties, but also rental and sales income from AI robots. Decrease in overall revenue was mainly due to less properties delivered to customers during FY2025. The revenue generated from property development segment for FY2025 was HK\$19,794,000 (2024: HK\$27,885,000) and the gross profit margin was approximately 25% (2024: approximately 33%).

OTHER INCOME

During FY2025, other income is mainly due to provision adjustments from the second-instance judgment of the Intermediate Court. In FY2024, the Group recorded a litigation provision of approximately HK\$43,031,000 based on the first-instance judgment result; in FY2025, approximately HK\$14,569,000 of this litigation provision was reversed and recorded as other income based on the second-instance judgment result of the court, and the litigation provision was accordingly adjusted to approximately HK\$28,759,000.

NET GAIN ON DISPOSAL OF FINANCIAL ASSETS AT FVPL

Net gain on disposal of financial assets at FVPL of the Group was HK\$15,093,000 for FY2025 (2024: HK\$738,000). The revenue for FY2025 mainly consists of approximately HK\$10,976,000 from the exit of ByteDance-related funds.

NET DECREASE IN FAIR VALUE OF FINANCIAL ASSETS AT FVPL

Net decrease in fair value of financial assets at FVPL of the Group increased by HK\$5,284,000, or approximately 36%, from HK\$14,636,000 for FY2024 to HK\$19,920,000 for FY2025. The net decrease in the fair value of financial assets at FVPL was mainly due to the changes in the fair value of Zall Smart held by the Group, and the net decrease in its fair value for the current year was HK\$23,128,000.



MANAGEMENT DISCUSSION AND ANALYSIS

NET INCREASE IN FAIR VALUE OF INVESTMENT PROPERTIES (INCLUDING NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES)

The Group recognized a net increase in fair value of investment properties of HK\$74,522,000 in FY2025 (2024: HK\$26,243,000). Among these, the net loss in fair value of the investment properties in Hong Kong amounted to HK\$61,700,000 and a net increase of HK\$136,222,000 in the fair value of the overall Car Park and Commercials was resulted from the conversion of Wuxi Commercial from properties held for sales to investment properties. As at 30 June 2025, the Group's investment properties primarily comprised parking spaces and commercial portions in Wuxi, as well as leased Grade-A offices in Hong Kong. Among these, the fair value and carrying value of the parking spaces and commercial units in Wuxi increased by HK\$136,222,000 from a total of HK\$597,693,000 in FY2024 to HK\$733,915,000, primarily due to the conversion of approximately 54,000 square meters of properties held for sales to investment properties during the current year, and recorded at fair value; and the valuation of Grade-A offices in Hong Kong decreased by HK\$61,700,000 from HK\$266,400,000 to HK\$204,700,000.

The fair value of the Group's investment properties is determined with reference to the valuation report (the "Valuation Report") issued by an independent professional valuer, AVISTA Valuation Advisory Limited ("AVISTA"), based on fair value and net realizable value.

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

The key assumptions and input adopted by AVISTA in the Valuation Report are as follows:

1. According to the Valuation Report, the Grade-A offices in Hong Kong were valued using the market approach, primarily based on recent transaction data and quotations for properties (office buildings), with price adjustments made for factors such as time, area, and floor level. The comparable property transaction data were sourced from publicly available transaction records in the Hong Kong real estate market and professional property databases:

Grade-A offices

Market rate	HK\$21,000 to HK\$32,000 (per usable square foot)
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2. The Car Park and Commercials in Wuxi were valued using the income approach, which involves estimating the value of the investment properties by applying an appropriate capitalization rate to the rental income from existing leases and/or the achievable market rental income, while duly considering the potential reinstatement income of the leases, and based on recent market transaction data for similar properties in the surrounding area of the subject properties:

Car Park

Rent	RMB300 to RMB350 (per space per month)
Market yield rate	5.75%

Commercials

Rent	RMB90 to RMB100 (per square meter per month)
Market yield rate	5.5%

MANAGEMENT DISCUSSION AND ANALYSIS

The Grade-A offices market in Hong Kong remained sluggish in 2025, and the overall trading volume and price of them were still affected by the aftermath of the COVID-19 pandemic and high-interest rate environment. Together with the combined effect of multiple pressures, including the cautious corporate expansion intentions due to global economic uncertainties and the structural weakening of demand for traditional office buildings caused by the widespread adoption of flexible working models, the recovery of the property market was slower than expected. This slowdown is also directly reflected in the fair value of related investment properties in Hong Kong.

In FY2025, the Car Park and Commercials of the Wuxi Property Project recorded fair value gain, primarily attributable to the enhanced asset value brought about by the transformation and upgrading of the Group's business, which converted some of its properties held for sales into investment properties. Since early 2025, the Group launched its business transformation initiative, with a focus on fully unlocking the commercial value of its assets in Wuxi. Actively responding to the national AI+ industrial policy, the Group is committed to building and operating an intelligent robot industrial park. Through the dual empowerment of the Group's AI RaaS Operation Center and International Sales Center, the industrial park is committed to promoting the product demonstration and global sales of intelligent robots, thereby fostering a synergistic effect of asset transformation, continuously enhancing its core competitiveness and realizing the appreciation of its assets.

SELLING EXPENSES

Selling expenses of the Group increased by HK\$1,392,000, or approximately 36%, from HK\$3,890,000 for FY2024 to HK\$5,282,000 for FY2025. The selling expenses of FY2025 mainly comprised salaries and sales service fees. The increase in selling expenses was mainly due to the selling activities from newly setup AI robotics segment in FY2025.

ADMINISTRATIVE EXPENSES

Administrative expenses of the Group decreased by HK\$1,678,000, or approximately 6%, from HK\$27,919,000 for FY2024 to HK\$26,241,000 for FY2025. Administrative expenses mainly include staff costs and legal and professional fees. The Group has achieved a steady decline in its overall performance by reducing costs and increasing efficiency and optimizing relevant administrative expenses.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses of the Group increased by HK\$1,861,000, or approximately 20 times, from HK\$93,000 for FY2024 to HK\$1,954,000 for FY2025. Research and development expenses were mainly due to costs of the research and development staff within the new AI robotics segment.

OTHER EXPENSES

Other expenses of the Group decreased by HK\$31,142,000, or approximately 72%, from HK\$43,031,000 for FY2024 to HK\$11,889,000 for FY2025. Other expenses for FY2024 mainly included litigation provision of HK\$43,031,000 made based on the judgement issued from the court, and that for FY2025 were due to impairment of property, plant and equipment of HK\$11,889,000.

FINANCE COSTS

Finance costs of the Group decreased by HK\$2,228,000, or approximately 22%, from HK\$10,098,000 for FY2024 to HK\$7,870,000 for FY2025. The decrease in finance costs was due to the decrease in outstanding borrowings resulting from partial repayments and a reduction in interest rates in FY2025.

TAXATION

The Group recorded tax expenses of HK\$39,818,000 (*FY2024: tax expenses of HK\$6,219,000*) for FY2025. The tax expenses of FY2025 mainly represented the deferred tax expenses accrued based on the fair value gain due to the conversion of the properties held for sales in Wuxi into investment properties.

PROFIT FOR THE YEAR

The Group achieved a turnaround from loss to profit for the year, with a profit of HK\$7,125,000 for FY2025, compared with a loss of HK\$54,434,000 for FY2024. The turnaround from loss to profit for FY2025 was mainly due to: (i) an increase in the fair value gain of the Group's investment properties from HK\$26,243,000 to HK\$74,522,000; (ii) a provision of approximately HK\$43,031,000 was provided by the Group for FY2024, and a reversal of a provision of approximately HK\$14,569,000 was recorded for the current year; and (iii) the Group recorded a net gain on disposal of financial assets at FVPL of approximately HK\$15,093,000 for FY2025.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 June 2025, the Group had current assets of HK\$355,810,000 (*2024: HK\$799,621,000*) and current liabilities of HK\$341,929,000 (*2024: HK\$403,047,000*), representing a current ratio of approximately 1.04 times (*2024: approximately 1.98 times*). The Group's total equity and the total bank and other borrowings as at 30 June 2025 amounted to HK\$787,376,000 (*2024: HK\$772,532,000*) and HK\$178,186,000 (*2024: HK\$199,987,000*) respectively. The bank and other borrowings of the Group of approximately HK\$178,186,000 were repayable within one year. The gearing ratio of the Group as at 30 June 2025, calculated as a ratio of the bank and other borrowings to the total equity, was approximately 23% (*2024: approximately 26%*).

PRINCIPAL RISK AND UNCERTAINTIES

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

BUSINESS RISK

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's robots business is contingent upon performance in both Hong Kong and international markets. Robotics technology belongs to the high-tech sector, characterized by substantial investment, long R&D cycles, and rapid technological iteration. To maintain competitiveness, the Group needs to sustain R&D investment, closely track market trends and customer demands, and promptly adjust the business model. However, as the AI robots business is still in the growth stage, the commercial model of the AI robots requires continuous optimization based on market feedback and is therefore influenced by market factors to a certain extent. The Group will proactively manage related risks and dynamically adjust operation strategies to enhance the sustainable development capabilities of this business.

MARKET RISK

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

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

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

FINANCIAL RISK

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



MANAGEMENT DISCUSSION AND ANALYSIS

FOREIGN CURRENCY MANAGEMENT

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

TREASURY POLICIES

As at 30 June 2025, the bank and other borrowings of approximately HK\$166,971,000 (2024: HK\$192,190,000) and HK\$11,215,000 (2024: HK\$7,797,000) were denominated in HK\$ and RMB respectively. The balances of bank and other borrowings of approximately HK\$166,971,000 (2024: HK\$192,190,000) and HK\$11,215,000 (2024: HK\$7,797,000) were at variable interest rates and fixed interest rates respectively. Cash and cash equivalents held by the Group were mainly denominated in HK\$, RMB and US\$. The Group currently does not have interest rate hedging policies as the management of the Group does not expect unforeseeable interest rate risk at the end of FY2025. However, the management of the Group monitors the interest rate exposure from time to time and may consider hedging significant interest rate exposure if needed.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group for FY2025 are set out in note 7 to the consolidated financial statements of this annual report.

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

Save as disclosed in the section headed "Business Review – Investment Holding" in this annual report, the Group did not have any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures during FY2025.

There has been no formal plan authorised by the Board for any significant investments, material acquisitions or disposals of subsidiaries, associates and joint ventures as at 30 June 2025 and up to the date of this annual report.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group did not have other future plans for material investments or capital assets during FY2025.

COMMITMENTS

Details of the commitments of the Group as at 30 June 2025 are set out in note 29 to the consolidated financial statements of this annual report.

PLEDGE OF ASSETS

As at 30 June 2025, the Group had provided the following securities for banking facilities granted to the Group:

- (i) pledge of leasehold land and buildings under investment properties, non-current assets classified as held for sales and property, plant and equipment of the Group with carrying amounts of HK\$121,900,000, HK\$82,800,000 and HK\$51,100,000 respectively (30 June 2024: HK\$266,400,000, nil and HK\$64,762,000 respectively);

MANAGEMENT DISCUSSION AND ANALYSIS

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

As at 30 June 2025, the carrying value of the financial assets at FVPL of approximately HK\$7,033,000 (2024: approximately HK\$20,921,000) was pledged as collateral to the margin loan facilities granted to the Group with corporate guarantee provided by the Company. No margin loan facilities were utilised as at 30 June 2025 (30 June 2024: Nil).

CONTINGENT LIABILITIES

Details of the contingent liabilities of the Group as at 30 June 2025 are set out in note 33 to the consolidated financial statements of this annual report.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 30 June 2025, the Group employed a total of 56 (2024: 32) full-time employees and executive Directors. The Group's total staff costs including Directors' emoluments amounted to HK\$19,528,000 for FY2025 (2024: HK\$12,917,000). The remuneration packages for Directors and employees are normally reviewed annually and are structured with reference to market terms and individual competence, performance and experience. The Group also provides medical insurance coverage and operates a provident fund scheme or relevant fund scheme for its employees in Hong Kong and the PRC.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

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

RELATIONSHIP WITH EMPLOYEES AND CUSTOMERS

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

SUBSEQUENT EVENTS

The Group has no material events subsequent to 30 June 2025 which were required to be disclosed as at the date of this annual report.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The Company successfully completed the allotment and issuance of 550,000,000 new ordinary Shares under the specific mandate to Ruixing Investments Limited at a price of HK\$0.068 per Share (the "Subscription") on 30 October 2023, the subscription price represents: (i) a discount of approximately 17% to the closing price of HK\$0.082 per Share as quoted on the Stock Exchange on the date of the subscription agreement; and (ii) a discount of approximately 19% to the average closing price of approximately HK\$0.084 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the subscription agreement. The Company considered that the Subscription will raise additional funds for the Group's business operations, replenish its working capital and improve the financial position of the Group for its future development and prospects. In addition, it will provide the Company with capital for new investment opportunities to broaden the revenue and profit potential of the Group and enhance the value of the Shareholders in long term. Details of which are set out in the announcements of the Company dated 26 July 2023, 19 October 2023 and 30 October 2023, and the circular of the Company dated 28 September 2023. The net proceeds of the Subscription (the "Net Proceeds") amounted to approximately HK\$36,558,000, representing a net subscription price of approximately HK\$0.066 per subscription share, and were intended to be used as follows: (i) approximately HK\$26,558,000 would be used for the general working capital of the Group, which includes approximately HK\$10,000,000 for finance costs such as interest expenses on bank and other borrowings and approximately HK\$16,558,000 for administrative expenses such as staff costs, legal and professional fees and other expenses incurred in support of the operating activities, subject to actual business needs; and (ii) approximately HK\$10,000,000 was reallocated from the potential investment opportunities in high-tech industries as identified by the Group from time to time to fund the Group's development of AI robotics technology, details of which are set out in the announcement of the Company dated 28 February 2025. As of 30 June 2025, the remaining amount of the Net Proceeds is HK\$8,557,000. It was estimated that the Net Proceeds would be fully utilized in accordance with its intended purposes by 28 February 2026.

The following table sets forth a summary of the utilization of the Net Proceeds as of 30 June 2025:

Purposes	% of the Net Proceeds (Revised)	Amount available for utilization (Revised) (HK\$)	After revision/ unutilized amount as of 30 June 2024 (HK\$)	Utilized amount during FY2025 (HK\$)	Unutilized amount as of 30 June 2025 (HK\$)	Expected timeline for full utilization of the remaining Net Proceeds
For working capital of the Group						
For finance costs	27.35%	10,000,000	3,221,000	3,221,000	–	–
For administrative expenses	45.30%	16,558,000	8,345,000	8,345,000	–	–
For the expenses to develop AI robotics technology by the Group	27.35%	10,000,000	10,000,000	1,443,000	8,557,000	28 February 2026
For potential investment opportunities in high-tech industries as identified by the Group	0%	–	–	–	–	N/A
Total	100%	36,558,000	21,566,000	13,009,000	8,557,000	

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

EXECUTIVE DIRECTORS

Mr. Wu Zhanming, aged 61, the Chairman, Executive Director, Acting CEO and a director of certain subsidiaries of the Company. Mr. Wu Zhanming joined the Group in August 2019. Mr. Wu Zhanming currently serves as the chairman of the board of directors of Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司) and Hong Kong Green Dynasty International Co Limited (香港大朝國際有限公司). Mr. Wu Zhanming is the founder of multiple companies, including Jiangsu Investment Network Development Co., Ltd.* (江蘇投資網發展有限公司), Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司) and Hong Kong Green Dynasty International Co Limited (香港大朝國際有限公司). He has extensive experience in investment and has participated in multiple investment projects involving a diverse set of industries, such as artificial intelligence, innovative technologies, health care, real estate and consumer services.

Mr. Wu Tao, aged 56, an Executive Director and a director of the subsidiaries of the Company. He was appointed as a Non-executive Director on 21 August 2019 and re-designated as an Executive Director on 3 May 2022. Mr. Wu Tao currently serves as a partner in Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司). Mr. Wu Tao was awarded an executive master's degree in business administration from the School of Management of Fudan University in January 2009. He further obtained a degree of doctor of business administration from the United Business Institutes in Belgium in June 2011. Mr. Wu Tao has more than 20 years of experience in the financial sector. From January 1999 to December 2004, he worked at Langran Holding Limited Jiangsu Branch* (朗潤控股有限公司江蘇分公司). From January 2005 to April 2009, he served as the vice chief executive officer of Jiangsu Sheng's International Investment Group Limited* (江蘇盛氏國際投資集團有限公司). From May 2009 to February 2015, Mr. Wu Tao worked at Shengqu Information Technology (Shanghai) Co. Limited* (盛趣信息技術(上海)有限公司), an affiliate of Shanghai ShengDa Networking Development Co., Ltd* (上海盛大網絡發展有限公司) and his last position was fund manager.



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

NON-EXECUTIVE DIRECTOR

Dr. Chan Kin Keung Eugene *SBS, BBS, JP* ("**Dr. Chan**"), aged 61, a Non-executive Director. He was appointed as an Independent Non-executive Director on 29 June 2023 and re-designated as a Non-executive Director on 19 June 2024. Following the re-designation as a Non-executive Director, he was appointed as a senior advisor of Novautek Autonomous Driving, a non-wholly owned subsidiary of the Company, with effect from 19 June 2024. Dr. Chan received a bachelor's degree in dental surgery from The University of Adelaide in Australia in May 1988 and a Fellowship Ad Eundem in General Dental Practice from The Royal College of Surgeons of England in February 2006. He is a registered dentist with The Dental Council of Hong Kong since January 1988. Since July 2007, Dr. Chan has been an honorary clinical associate professor of the Faculty of Medicine of The Chinese University of Hong Kong. Since November 2011, Dr. Chan has also been a visiting professor at Jinan University (暨南大學) in the PRC. Dr. Chan has been a member of the Radio Television Hong Kong Board of Advisors from September 2010 to August 2020 and its chairman from September 2016 to August 2020. Dr. Chan has also been the chairman of the Association of Hong Kong Professionals from 2011 to 2015 and its president since 2015. In May 2013, he was appointed as a member of the Advisory Committee of the School of Chinese Medicine of Hong Kong Baptist University. From January 2013 to December 2018, he was a member to the Independent Commission Against Corruption Citizens Advisory Committee on Community Relations and a member to the Independent Police Complaints Council. From December 2013 to December 2019, he was a member of the Appeal Board on Public Meetings and Processions. Dr. Chan was also a member to the Quality Education Fund Steering Committee from January 2015 to January 2021. In January 2019, Dr. Chan was appointed as a member to the Council of City University of Hong Kong, HKSAR Environmental Campaign Committee and HKSAR Witness Protection Review Board Panel. In April 2020, he was appointed as a member to the Hong Kong Housing Authority Subsidised Housing Committee. In January 2021, he was appointed as a member of the Action Committee Against Narcotics. In January 2021, the Hong Kong Police Force has appointed Dr. Chan as a member of the Junior Police Call Central Advisory Board and a member of Animal Watchers Programme Central Advisory Board. In April 2022, he was appointed as a member to the Fight Crime Committee. In April 2022, he was appointed as a member of Tuen Mun Hospital Governing Committee. In September 2022, he was appointed as a member of the Management Board of the Institute of Human Communicative Research of The Chinese University of Hong Kong. In January 2023, he was appointed by Hong Kong Customs and Excise Department as the executive director of the Executive Committee of "Customs YES". In April 2023, he was appointed as the chairman of the Advisory Committee on Gifted Education. In May 2023, he was appointed as a member of the Chief Executive's Policy Unit Expert Group. In January 2024, Dr. Chan was appointed as a District Council member of the Central and Western District Council.

Dr. Chan was selected as an awardee of the Ten Outstanding Young Persons by the Junior Chamber International Hong Kong in 2004, appointed as a non-official Justice of the Peace in July 2011 and awarded the Bronze Bauhinia Star and Silver Bauhinia Star in 2016 and 2021, respectively. In July 2025, Dr. Chan was conferred the title Honorary Fellowship by City University of Hong Kong. In September 2025, he was elected as member of 6th Election Committee.

Dr. Chan was an independent non-executive director of PuraPharm Corporation Limited (a company listed on the Stock Exchange, stock code: 1498) from June 2015 to May 2021. Also, he has been an independent non-executive director of Classified Group (Holdings) Limited (a company listed on the Stock Exchange, stock code: 8232) from June 2016 to September 2025.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Jiang Pengzhi ("Mr. Jiang"), aged 47, an Independent Non-executive Director. He joined the Group in September 2024. Mr. Jiang obtained a bachelor's degree in engineering, majoring in communication engineering, from Chongqing Posts and Telecommunications College* (重慶郵電學院) (now known as Chongqing University of Posts and Telecommunications* (重慶郵電大學)) in the PRC in July 1999. Mr. Jiang has over 20 years of managerial experience in data and internet industry. He joined the subsidiaries of China Unicom (Hong Kong) Limited (a company listed on the Stock Exchange, stock code: 762) since 1999 and successively worked as a deputy general manager of the Network Department, Product Department, and Mobile Business Department from April 2013 to October 2020. Since June 2022, Mr. Jiang has been served as a general manager of Hong Kong of EDPI (HK) Limited.

Mr. Yang Ye ("Mr. Yang"), aged 45, an Independent Non-executive Director. He joined the Group in September 2024. Mr. Yang obtained a bachelor's degree in law from Nanjing University in the PRC in June 2005 and a master's degree in business administration from China Europe International Business School in the PRC in November 2016. He obtained the legal professional qualification certificate granted by the Ministry of Justice of the PRC in February 2007. Mr. Yang worked as a paralegal of JC Master Law Office* (江蘇泰和律師事務所) from July 2005 to November 2006. During the period from March 2011 to December 2016, Mr. Yang served multiple managerial roles in several asset management companies, including a deputy general manager of Shanghai Rungao Equity Investment Management Co., Ltd.* (上海潤高股權投資管理有限公司) and a general manager of Asset Management Department at J.K. Life Insurance Co., Ltd.* (君康人壽保險股份有限公司). Since September 2017, Mr. Yang has been served as a managing partner at Shanghai Fengling Enterprise Management Partnership (General Partnership)* (上海豐靈企業管理合夥企業 (普通合夥)).

Ms. Tsang Fung Chu JP ("Ms. Tsang"), aged 57, an Independent Non-executive Director. She joined the Group in December 2024. Ms. Tsang is a certified public accountant (practising) in Hong Kong and a fellow of the Association of Chartered Certified Accountants. She holds a Bachelor Degree of Social Sciences from The University of Hong Kong and has broad experience in the finance and accounting field. She has been in the accounting profession for over 30 years and started her career in the audit division at an international auditing and accounting firm. She also served as a member of the All China Youth Federation and Beijing Youth Federation, the PRC. In addition, Ms. Tsang has been appointed various public offices in the Hong Kong SAR Government. She is currently the chairman on Sheung Wan & Sai Ying Pun Area Committee, a member of the board of management of the Chinese Permanent Cemeteries and vice chairman of Internal Affairs Committee. She was also a group chairman on Advisory Committee Admission of Quality Migrants and Professionals, a member of Central and Western District Fight Crime Committee, a member of Chung Wan & Mid Levels Area Committee, a member of the Panel of Advisors on Building Management Disputes of the Home Affairs Department and Observers on Independent Police Complaints Council, etc. She is a member of the Sixth Election Committee of the HKSAR and was appointed as Justice of the Peace (JP) on 1 July 2021. She has been an executive director of Bingo Group Holdings Limited (a company listed on the Stock Exchange, stock code: 8220) since July 2024.



BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

SENIOR MANAGEMENT

Ms. Luk Shan ("Ms. Luk"), aged 40, the chief financial officer, company secretary and a director of several subsidiaries of the Company. Ms. Luk joined the Group in September 2019 and, since then, has been fully responsible for the Group's financial management, listing compliance and capital-market activities. Ms. Luk is a member of the Hong Kong Institute of Certified Public Accountants. She obtained her Bachelor of Business Administration (Honours) in Accounting from Hong Kong Baptist University. After graduation, Ms. Luk worked in an international accounting firm for over 4 years. Prior to joining the Group, Ms. Luk worked as the senior finance manager of a company listed on the Main Board of the Stock Exchange. Ms. Luk has over 15 years of experience in auditing, accounting and financial reporting. Her expertise aligns precisely with the financial requirements of the Group's business, providing solid financial support, from funding assurance and cost control to compliant operations, for the Group's business development, especially in its robotics business.

Mr. Li Pengfei ("Mr. Li"), aged 38, the Group's chief investment officer and a director of several subsidiaries. He joined the Group in January 2021 and is primarily responsible for the Group's financial investments, collaborative ecosystem and technological development. He is also a director of the Group's subsidiary, Novautek Autonomous Driving, where he is responsible for the technology product ecosystem, strategic development, as well as investment and financing segments. Mr. Li graduated from the University of Brighton in the United Kingdom with a master's degree in Finance and Investment. Mr. Li served as an investment manager at Fosun Group from 2013 to 2015. He served as an assistant president at Lighter Capital from 2015 to 2017. From 2018 to 2024, he served as investment director at Dachao Asset Management (Shanghai) Co., Ltd.* (大朝資產管理(上海)有限公司). Mr. Li has extensive experience in mergers and acquisitions, strategic investments and financial investments across multiple industries. He has played a pivotal role in construction of collaborative ecosystems and has led investments in multiple leading companies in the technology sector, covering fields such as hard technology, artificial intelligence, new materials, consumption and finance.

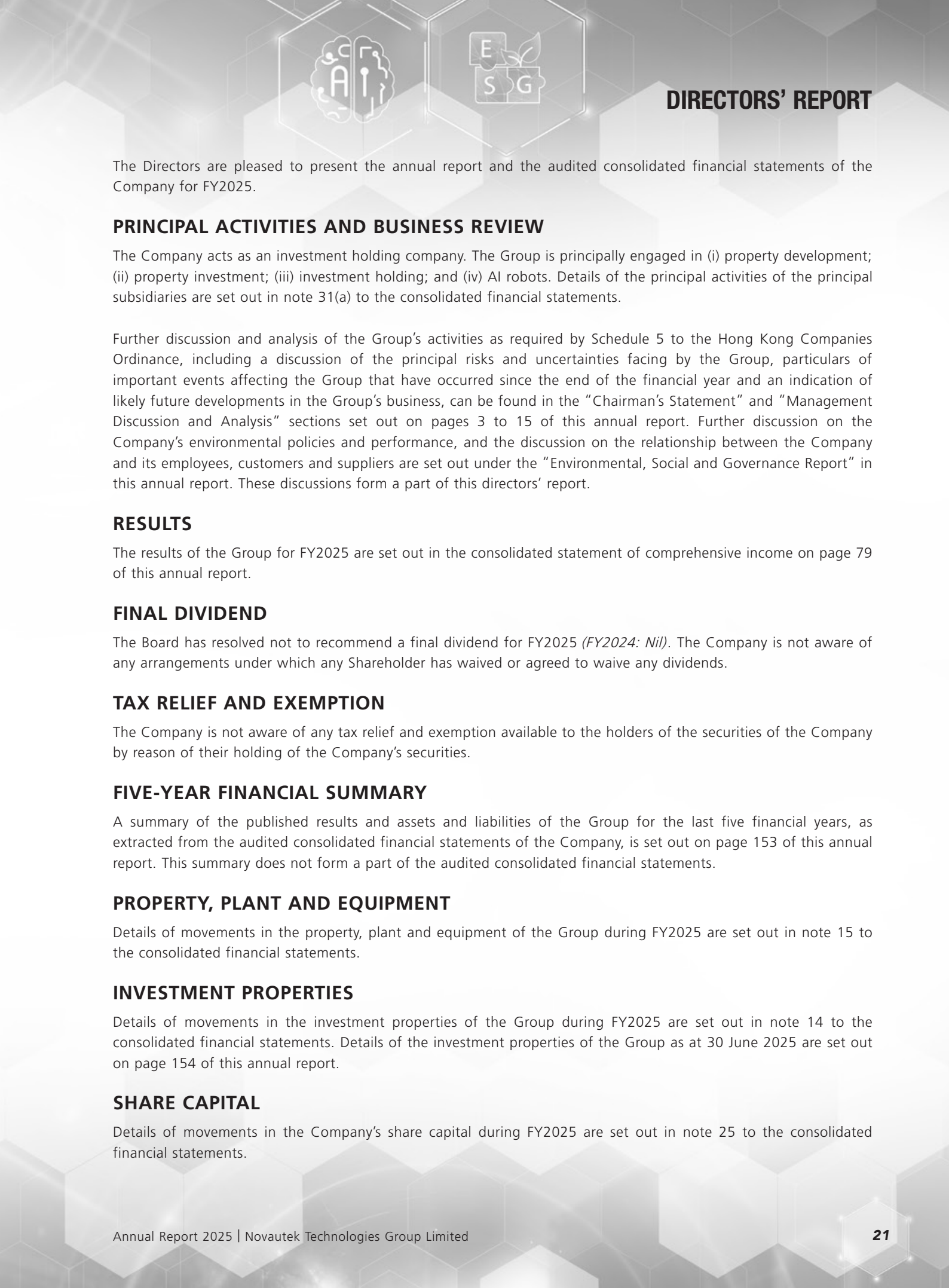
Mr. Wang Chunsheng ("Mr. Wang"), aged 39, the chief executive officer of Novautek Autonomous Driving, a subsidiary of the Group. He joined the Group in May 2024, primarily responsible for AI robot business and daily operation management of Novautek Autonomous Driving. Mr. Wang was awarded a master's degree by Jilin University in July 2014, with a primary research focus on automotive intelligence and new energy vehicles. Mr. Wang served as the product manager at FAW-Volkswagen Automotive Co., Ltd. from 2014 to 2018. From 2018 to 2022, he held the position of general manager at UISEE Technologies (Shenzhen) Co., Ltd.* (馭勢科技(深圳)有限公司). From 2022 to May 2024, he further served at Baidu (Hong Kong) Limited and served as the general manager of Apollo in Hong Kong. Mr. Wang has over 10 years of experience in product development, project management and commercialization in the fields of automotive intelligence and AI robotics. He has led the implementation of multiple autonomous driving projects both domestically and internationally. Among them, the I-SOS invention patent represents the first safety redundancy application technology for unmanned logistics; the AET application, the first unmanned logistics product in the world, received the second prize of the Beijing Science and Technology Progress Award; and the "ACL Aerospace Corridor," the first public automated transport system in Hong Kong, stands as a significant milestone in the development of autonomous driving in Hong Kong.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Mr. Chiu Kit Man, Calvin (“Mr. Chiu”), aged 48, joined the Group in September 2016. He served as an Independent Non-executive Director of the Company from September 2016 to May 2023. Subsequently, since June 2023, he has been the chief operating officer of the subsidiary of the Group, Novautek Autonomous Driving, primarily responsible for the sales and operations of the robotic business in Hong Kong and overseas markets, as well as negotiating partnerships with government and commercial entities. Mr. Chiu holds a Bachelor of Business Administration degree from the Indiana University at Bloomington in the United States of America. He was selected as one of the Ten Outstanding Young Persons in 2011 and served as the chairman of The Outstanding Young Persons’ Association in 2019. He is also the founder and chairman of The Against Elderly Abuse of Hong Kong, a government-recognised charitable organisation. Mr. Chiu has extensive experience in customer-relationship management and big data. As a specialist in smart-city and AI-robotics solutions, a young entrepreneur and an enterpriser, he has been deeply involved in the development of AI sector and related policy advocacy for over 8 years. He is also frequently invited to deliver guest lectures and to contribute articles for newspapers and journals, sharing insights on AI and robotics with business audiences, government agencies and a variety of tertiary institutions. Committed to giving back to society, Mr. Chiu actively serves on a number of public and business organisations. In addition to being a standing committee member of the Chinese People’s Political Consultative Conference of Doumen District, Zhuhai, he has also been appointed by the Hong Kong SAR Government as a member of various committees. Mr. Chiu currently serves as the president of Doumen Clan’s Association and founding vice-president of the Hong Kong O2O Ecommerce Federation.

Mr. Huang TianWu (“Mr. Huang”), aged 47, the legal representative and general manager of Wuxi Shengye, a subsidiary of the Group. He joined the Group in December 2020 and is primarily responsible for the Company’s project development, construction and operational management. Prior to joining the Group, Mr. Huang has over 30 years of experience in project development and construction, and business management. He has held management positions in prominent companies like Sinograin Jiangsu Branch* (中儲糧江蘇省分公司) and Nanjing Dingjian Biotechnology Co., Ltd.* (頂健生物科技南京公司), accumulating extensive experience in corporate management and team leadership.

Mr. Fan GuangYi (“Mr. Fan”), aged 40, joined the Group in April 2025. He serves as vice president of Jiangsu Novautek Autonomous Driving Technology Limited* (江蘇諾科達智駕科技有限公司), a subsidiary of the Company, primarily responsible for global marketing of the Group’s robotic business. Prior to joining the Group, Mr. Fan has over 17 years of professional experience across the aerospace, wind power and new energy, transmission and automation control systems and other industries. He has held management positions in technology, project management, marketing and global marketing at several prominent listed companies, including Sany Group, NGC Group, and Aerosun Group. Mr. Fan holds a Bachelor of Engineering degree from Harbin Institute of Technology and obtained a Master of Business Administration degree from Southeast University in 2023. He serves as an adjunct faculty member at Guilin University of Aerospace Technology and possesses a Professional Project Management Certificate in Global Project Management Professional issued by the International Project Management Association.



DIRECTORS' REPORT

The Directors are pleased to present the annual report and the audited consolidated financial statements of the Company for FY2025.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company acts as an investment holding company. The Group is principally engaged in (i) property development; (ii) property investment; (iii) investment holding; and (iv) AI robots. Details of the principal activities of the principal subsidiaries are set out in note 31(a) to the consolidated financial statements.

Further discussion and analysis of the Group's activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing by the Group, particulars of important events affecting the Group that have occurred since the end of the financial year and an indication of likely future developments in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections set out on pages 3 to 15 of this annual report. Further discussion on the Company's environmental policies and performance, and the discussion on the relationship between the Company and its employees, customers and suppliers are set out under the "Environmental, Social and Governance Report" in this annual report. These discussions form a part of this directors' report.

RESULTS

The results of the Group for FY2025 are set out in the consolidated statement of comprehensive income on page 79 of this annual report.

FINAL DIVIDEND

The Board has resolved not to recommend a final dividend for FY2025 (*FY2024: Nil*). The Company is not aware of any arrangements under which any Shareholder has waived or agreed to waive any dividends.

TAX RELIEF AND EXEMPTION

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

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out on page 153 of this annual report. This summary does not form a part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during FY2025 are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during FY2025 are set out in note 14 to the consolidated financial statements. Details of the investment properties of the Group as at 30 June 2025 are set out on page 154 of this annual report.

SHARE CAPITAL

Details of movements in the Company's share capital during FY2025 are set out in note 25 to the consolidated financial statements.

DIRECTORS' REPORT

DEBENTURE ISSUED

The Company did not issue any debenture during FY2025.

PRE-EMPTIVE RIGHTS

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

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during FY2025. The Company did not hold any treasury shares as of 30 June 2025.

RESERVES

Details of movements in the reserves of the Company and the Group during FY2025 are set out in note 31(b) to the consolidated financial statements and in the consolidated statement of changes in equity on pages 81 to 82 of this annual report, respectively.

DISTRIBUTABLE RESERVES

As at 30 June 2025, the Company had reserves (including capital reserve and accumulated losses) totaling approximately HK\$44,388,000 (2024: HK\$55,119,000) available for distribution to the Shareholders.

BANK LOANS AND OTHER BORROWINGS

Details of movements in the bank loans and other borrowings of the Group during FY2025 are set out in note 24 to the consolidated financial statements.

MAJOR SUPPLIERS AND CUSTOMERS

During FY2025, purchases from the Group's five largest suppliers and the largest supplier were 93% and 49% arising from the property development segment, respectively. During FY2025, the aggregate revenue attributable to the five largest customers and the largest customer were 41% and 22% of the Group's revenue, respectively. The major customers are independent third parties of the Company during FY2025.

To the knowledge of the Directors, none of the Directors, their associates nor any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the total number of issued Shares) had any beneficial interest in the Group's five largest suppliers or five largest customers during FY2025.

DIRECTORS

The Directors during FY2025 and up to the date of this annual report were:

EXECUTIVE DIRECTORS:

Mr. Wu Zhanming (*Chairman and Acting CEO*)

Mr. Wu Tao

NON-EXECUTIVE DIRECTOR:

Dr. Chan Kin Keung Eugene *SBS, BBS, JP*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Jiang Pengzhi (*appointed on 13 September 2024*)

Mr. Yang Ye (*appointed on 13 September 2024*)

Ms. Tsang Fung Chu *JP* (*appointed on 30 December 2024*)

Mr. Zhu Xinhui (*resigned on 13 September 2024*)

Mr. Yu Tat Chi, Michael (*resigned on 30 December 2024*)

Mr. Zhu Xinhui ("Mr. Zhu") and Mr. Yu Tat Chi, Michael ("Mr. Yu") has respectively resigned as the independent non-executive Director with effect from 13 September 2024 and 30 December 2024 as they desired to devote more time to their personal affairs and other business engagements. The Company had received resignation letters from Mr. Zhu and Mr. Yu confirming that they had no disagreement with the Board and there were no matters relating to Mr. Zhu's and Mr. Yu's resignation that needed to be brought to the attention of the Shareholders and the Stock Exchange.

Mr. Jiang Pengzhi ("Mr. Jiang") and Mr. Yang Ye ("Mr. Yang") have been appointed as the independent non-executive Directors with effect from 13 September 2024, and Ms. Tsang Fung Chu *JP* ("Ms. Tsang") has been appointed as the independent non-executive Director with effect from 30 December 2024. Before their appointments became effective, on 13 September 2024 and 30 December 2024, they had respectively obtained the legal advice from a firm of solicitors qualified to advise on Hong Kong law referred to in Rule 3.09D of the Listing Rules and had confirmed that they understood their obligations as the Directors, the requirements under the Listing Rules that are applicable to them as the Directors and the possible consequences of making a false declaration or giving false information to the Stock Exchange.

In accordance with Bye-law 87(1) of the Bye-laws, Mr. Wu Tao and Dr. Chan Kin Keung Eugene *SBS, BBS, JP* shall retire from office by rotation at the forthcoming AGM. Mr. Wu Tao, being eligible, has offered himself for re-election. Dr. Chan Kin Keung Eugene *SBS, BBS, JP* has informed the Board that he will not offer himself for re-election at the forthcoming AGM as he requires more time to pursue his personal affairs and other business engagement. His retirement shall take effect upon the conclusion of the forthcoming AGM.

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

PERMITTED INDEMNITY PROVISIONS

During FY2025 and up to the date of this annual report, the Company has maintained directors' and officers' liability insurance coverage for the Directors and officers of the Company to provide protection against claims arising from lawful discharge of duties by the Directors and officers.

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' REMUNERATION

Details of the Directors' remuneration for FY2025 are set out in note 11(a) to the consolidated financial statements.

DIRECTORS' REPORT

CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

The changes to information of the Directors which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules were as below:

Dr. Chan Kin Keung Eugene *SBS, BBS, JP* be conferred the title Honorary Fellowship by City University of Hong Kong in July 2025. Also, he will resign as an independent non-executive director of Classified Group (Holdings) Limited (a company listed on the Stock Exchange, stock code 8232) in September 2025. In September 2025, he was elected as member of 6th Election Committee.

Except the above disclosures, there is no other updated information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules during FY2025.

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

As at 30 June 2025, the interests and short positions of the Directors or chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register to be kept by the Company pursuant to Section 352 of the SFO were as follows:

LONG POSITION IN THE SHARES OF THE COMPANY

Name of Director	Capacity and nature of interest	Number of issued Shares held	Approximate percentage of the total number of issued Shares
Mr. Wu Zhanming	Beneficial owner	279,935,000	9.16%
	Interest in a controlled corporation ⁽¹⁾	550,000,000	18.00%
		<u>829,935,000</u>	<u>27.16%</u>

Note:

- (1) As at 30 June 2025, Ruixing Investments Limited is wholly owned by Mr. Wu Zhanming, and therefore he is deemed to be interested in 550,000,000 Shares directly held by Ruixing Investments Limited.

Save as disclosed above, as at 30 June 2025, none of the Directors nor chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered into the register to be kept by the Company pursuant to Section 352 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

As at 30 June 2025 or at any time during FY2025, none of the Company or any of its subsidiaries was a party to any arrangement that would enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors or any of their spouses or children under the age of 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

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

To the best knowledge of the Directors, as at 30 June 2025, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

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

Save as disclosed above, as at 30 June 2025, the Directors and chief executive of the Company were not aware of any other person (other than the Directors or chief executive of the Company) who had an interest or short position in any Shares or underlying Shares which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

CONNECTED TRANSACTIONS

During FY2025, the Company had no connected transactions or continuing connected transactions which fell to be disclosed in accordance with the provisions for the disclosure of connected transactions under Chapter 14A of the Listing Rules.

DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in note 30 to the consolidated financial statements and all of them fall under the scope of connected transactions under Chapter 14A of the Listing Rules but are exempted from reporting, annual review, announcement or independent shareholders' approval requirements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" and the related party transactions in note 30 to the consolidated financial statements, no transactions, arrangements or contracts of significance to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which a Director or his/her connected entity had, directly or indirectly, a material interest, subsisted at the end of FY2025 or at any time during FY2025.

REMUNERATION POLICY

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

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

RETIREMENT BENEFIT SCHEMES

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

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

Details of the retirement benefit schemes of the Company are set out in note 32 to the consolidated financial statements.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors or any of their respective associates (as defined in the Listing Rules) had any material interest in a business that competes or may compete with the business of the Group during FY2025 and up to the date of this annual report.

EQUITY-LINKED AGREEMENTS

There was no equity-linked agreement entered into by the Group or existed during FY2025.

MANAGEMENT CONTRACTS

The Company had not entered into any contract in respect of the management or administration of the whole or any substantial part of the business of the Company during FY2025.

SUFFICIENCY OF PUBLIC FLOAT

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

DONATIONS

Charitable donations made by the Group during FY2025 amounted to HK\$10,000 (2024: HK\$22,000).

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied in all material aspects with relevant laws and regulations that have a significant impact on the business and operation of the Group. During FY2025, there was no material breach of, or non-compliance with, applicable laws and regulations by the Group.

AUDIT COMMITTEE

The consolidated financial statements and annual results of the Group for FY2025 and this annual report have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee, and the Audit Committee has confirmed that the applicable accounting principles, standards and requirements have been complied with and that adequate disclosures have been made thereof.

AUDITOR

The consolidated financial statements of the Company for FY2025 have been audited by Forvis Mazars CPA Limited, *Certified Public Accountants*. A resolution will be proposed at the forthcoming AGM to re-appoint Forvis Mazars CPA Limited as the auditor of the Company.

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

On behalf of the Board

Wu Zhanming

Chairman and Acting CEO

Hong Kong, 29 September 2025

CORPORATE GOVERNANCE REPORT

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

CORPORATE GOVERNANCE

The Company complied with all the applicable code provisions (the "Code Provision(s)") of the CG Code throughout FY2025, save for Code Provision C.2.1 of the CG Code. Details of the deviation with reason are set out in the section headed "Chairman and Chief Executive Officer" on page 28 of this annual report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

During FY2025, Mr. Wu Zhanming was the Chairman and acting CEO. The Board believes that the holding of both positions of the Chairman and CEO by the same individual will not impair the balance of power and authority between the Board and the management of the Group because the balance of power and authority is governed by the operations of the Board which comprises experienced and high caliber individuals with demonstrated integrity. The Board will review the current structure from time to time and shall make necessary changes when appropriate and inform the Shareholders accordingly.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiries with the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code during FY2025.

BOARD OF DIRECTORS

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

DIRECTORS

The Directors during FY2025 and up to the date of this annual report were:

EXECUTIVE DIRECTORS:

Mr. Wu Zhanming (*Chairman and Acting CEO*)
Mr. Wu Tao

NON-EXECUTIVE DIRECTOR:

Dr. Chan Kin Keung Eugene *SBS, BBS, JP*

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. Jiang Pengzhi (*appointed on 13 September 2024*)
 Mr. Yang Ye (*appointed on 13 September 2024*)
 Mr. Zhu Xinhui (*resigned on 13 September 2024*)
 Ms. Tsang Fung Chu JP (*appointed on 30 December 2024*)
 Mr. Yu Tat Chi, Michael (*resigned on 30 December 2024*)

The Company has received from each of the independent non-executive Directors an annual confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines set out in the Listing Rules. Biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" on pages 16 to 20 of this annual report.

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

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

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

During FY2025, all Directors developed their knowledge and skills through (1) conducting focused discussions on issues relating to the business and operations of the Company at meetings; and (2) researching, reading and studying relevant regulations and standards in order to strengthen the related skills and knowledge relevant for their respective roles. Each of the Directors has complied with Code Provision C.1.4, and the table below summarises the participation of each of the Directors in continuous professional development during FY2025:

Name of Directors	Participated in continuous professional development
Executive Directors	
Mr. Wu Zhanming (<i>Chairman and Acting CEO</i>)	✓
Mr. Wu Tao	✓
Non-executive Director	
Dr. Chan Kin Keung Eugene <i>SBS, BBS, JP</i>	✓
Independent Non-executive Directors	
Mr. Jiang Pengzhi (<i>appointed on 13 September 2024</i>)	✓
Mr. Yang Ye (<i>appointed on 13 September 2024</i>)	✓
Mr. Zhu Xinhui (<i>resigned on 13 September 2024</i>)	✓
Ms. Tsang Fung Chu JP (<i>appointed on 30 December 2024</i>)	✓
Mr. Yu Tat Chi, Michael (<i>resigned on 30 December 2024</i>)	✓

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS

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

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

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

During FY2025, a total of 5 times Board meetings and 2 times general meetings were held and the attendance of each Director is set out as follows:

	Number of attendance	
	Board meetings	General meetings
Executive Directors		
Mr. Wu Zhanming (<i>Chairman and Acting CEO</i>)	5/5	2/2
Mr. Wu Tao	5/5	2/2
Non-executive Director		
Dr. Chan Kin Keung Eugene <i>SBS, BBS, JP</i>	5/5	2/2
Independent Non-executive Directors		
Mr. Jiang Pengzhi (<i>appointed on 13 September 2024</i>)	4/4	2/2
Mr. Yang Ye (<i>appointed on 13 September 2024</i>)	4/4	2/2
Mr. Zhu Xinhui (<i>resigned on 13 September 2024</i>)	0/0	N/A
Ms. Tsang Fung Chu <i>JP</i> (<i>appointed on 30 December 2024</i>)	3/3	1/1
Mr. Yu Tat Chi, Michael (<i>resigned on 30 December 2024</i>)	2/2	1/1

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

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

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

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

- required character, integrity, expertise, experience and stability to fulfill their roles;
- time commitment and attention to the Company's affairs;
- firm commitment to their independent roles and to the Board;
- declaration of conflict of interest in their roles as independent non-executive Directors;
- no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
- the Chairman meets with the independent non-executive Directors regularly without the presence of the executive Directors.

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

REMUNERATION COMMITTEE

The Remuneration Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Remuneration Committee comprises three members, including two independent non-executive Directors, namely Mr. Yang Ye (he has been appointed as the chairman of the Remuneration Committee since 13 September 2024) and Ms. Tsang Fung Chu *JP* (she has been appointed as a member of the Remuneration Committee since 30 December 2024), and one executive Director, namely Mr. Wu Zhanming. Mr. Yang Ye is the chairman of the Remuneration Committee.

CORPORATE GOVERNANCE REPORT

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

The Remuneration Committee met 2 times during FY2025 to review the remuneration of the Directors. The attendance of each member is set out as follows:

Members	Number of attendance
Mr. Yang Ye (<i>appointed on 13 September 2024</i>)	1/1
Mr. Wu Zhanming	2/2
Ms. Tsang Fung Chu <i>JP</i> (<i>appointed on 30 December 2024</i>)	0/0
Mr. Zhu Xinhui (<i>resigned on 13 September 2024</i>)	0/0
Mr. Yu Tat Chi, Michael (<i>resigned on 30 December 2024</i>)	1/1

DIRECTORS' REMUNERATION POLICY

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

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

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the remuneration of the Directors and the five highest paid individuals for FY2025 are set out in note 11 to the consolidated financial statements. Pursuant to Code Provision E.1.5 of the CG Code, the remuneration of the members of the senior management (other than the Directors) whose particulars are contained in the section headed "Biographies of Directors and Senior Management" in this annual report for FY2025 by band is set out below:

Remuneration band	Number of individual
Nil to HK\$1,000,000	2
HK\$1,000,001 to HK\$1,500,000	3
HK\$1,500,001 to HK\$2,000,000	–
HK\$2,000,001 to HK\$2,500,000	1

NOMINATION COMMITTEE

The Nomination Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Nomination Committee comprises three members, including two independent non-executive Directors, namely Mr. Jiang Pengzhi (he has been appointed as a member of the Nomination Committee since 13 September 2024) and Ms. Tsang Fung Chu JP (she has been appointed as a member of the Nomination Committee since 30 December 2024), and one executive Director, namely Mr. Wu Zhanming. Mr. Wu Zhanming is the chairman of the Nomination Committee.

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

The Nomination Committee met 3 times during FY2025 to review the structure, size and composition of the Board; assess the independence of the independent non-executive Directors; and review and make recommendations to the Board on the re-election of the Directors. The attendance of each member is set out as follows:

Members	Number of attendance
Mr. Wu Zhanming	3/3
Mr. Jiang Pengzhi (<i>appointed on 13 September 2024</i>)	2/2
Ms. Tsang Fung Chu JP (<i>appointed on 30 December 2024</i>)	0/0
Mr. Zhu Xinhui (<i>resigned on 13 September 2024</i>)	0/0
Mr. Yu Tat Chi, Michael (<i>resigned on 30 December 2024</i>)	2/2

BOARD DIVERSITY POLICY

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

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

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

- at least 1/3 of the members of the Board shall be independent non-executive Directors;
- at least one of the members of the Board shall have obtained accounting or relevant financial management professional qualifications; and
- at least one of the members of the Board shall be female.

CORPORATE GOVERNANCE REPORT

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

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

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

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

WORKFORCE DIVERSITY

The Company is committed to ensuring that gender diversity is achieved in the workforce. As at 30 June 2025, the Group's overall workforce comprises 54% males and 46% females. For the purpose of implementing gender diversity in the Group's workforce, the Company will organise more trainings, workshops or seminars on gender equality for employees. The ESG Working Group of the Company will regularly report the situation on gender diversity in the Group's workforce to the Board for further enhancement. Based on the Board's review, there was no mitigating factor or circumstance which makes achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

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

DIRECTOR NOMINATION POLICY

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

- Character and integrity.
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy.
- Any measurable objectives adopted for achieving diversity on the Board.
- Requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidate would be considered independent with reference to the independence guidelines set out in the Listing Rules.
- Any potential contributions the candidate can bring to the Company and/or the Board in terms of qualifications, skills, experience, independence, gender and race diversity.

- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company.
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for the nomination of the Directors and succession planning.

As regards selection and appointment of new Director:

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

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

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

- The Nomination Committee and/or the Board should review the overall contribution and service to the Company of each Director and his/her level of participation and performance on the Board.
- The Nomination Committee and/or the Board should also review and determine whether the Director continues to meet the criteria as set out in the nomination policy above.

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

The Nomination Committee will also monitor and review this policy regularly with reference to the structure, size and composition of the Board to ensure that this policy meets the current regulatory requirements and the business needs of the Company. During FY2025, the Nomination Committee and the Board have reviewed the Director nomination policy and considered it to be effective.

AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about its responsibilities on the Company's consolidated financial statements for FY2025 is set out in the "Independent Auditor's Report" on pages 72 to 78 of this annual report.

CORPORATE GOVERNANCE REPORT

For FY2025, remuneration payable to the Company's auditor, Forvis Mazars CPA Limited, for the provision of audit services was HK\$920,000. During FY2025, HK\$138,000 was paid as remuneration to Forvis Mazars CPA Limited for the provision of non-audit services including professional services for the interim results.

AUDIT COMMITTEE

The Audit Committee has specific written terms of reference as set out in the CG Code. As at the date of this annual report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Jiang Pengzhi, Mr. Yang Ye (both Mr. Jiang and Mr. Yang have been appointed as the members of the Audit Committee since 13 September 2024) and Ms. Tsang Fung Chu *JP* (she has been appointed as the chairman of the Audit Committee since 30 December 2024). Ms. Tsang Fung Chu *JP* is the chairman of the Audit Committee.

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

The Audit Committee met twice during FY2025 and the attendance of each member is set out as follows:

Members	Number of attendance
Mr. Yu Tat Chi, Michael (<i>resigned on 30 December 2024</i>)	1/1
Mr. Jiang Pengzhi (<i>appointed on 13 September 2024</i>)	2/2
Mr. Zhu Xinhui (<i>resigned on 13 September 2024</i>)	0/0
Mr. Yang Ye (<i>appointed on 13 September 2024</i>)	2/2
Ms. Tsang Fung Chu <i>JP</i> (<i>appointed on 30 December 2024</i>)	1/1

The following is a summary of work performed by the Audit Committee during FY2025:

1. reviewed and discussed the audited financial statements of the Group for the year ended 30 June 2024 and recommended to the Board for approval;
2. reviewed and discussed the unaudited financial statements of the Group for the six months ended 31 December 2024 and recommended to the Board for approval;
3. reviewed and discussed with the management and auditor of the Company the accounting policies and practices which may affect the Group and the scope of the audit;
4. reviewed the effectiveness of risk management and the internal control systems of the Group and the effectiveness of the Group's internal audit function; and
5. reviewed and approved the remuneration and the terms of engagement of the Company's auditor; and reviewed and made recommendations to the Board on the re-appointment of the Company's auditor.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

The Directors acknowledge their responsibilities for preparing the consolidated financial statements of the Company for FY2025.

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

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

CORPORATE GOVERNANCE FUNCTIONS

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

1. to develop and review the Group's policies and practices on corporate governance and make recommendations;
2. to review and monitor the training and continuous professional development of the Directors and senior management;
3. to review and monitor the Group's policies and practices on compliance with all legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual applicable to the employees of the Group and the Directors; and
5. to review the Group's compliance with the CG Code and disclosure requirements in the corporate governance report.

RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT STRUCTURE

Board

The Board acknowledges that it is the responsibility of the Board to maintain adequate risk management and internal control systems and to review the effectiveness of such systems on an on-going basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board oversees the risk management and internal control systems and determines the nature and extent of the risks the Group is willing to accept in achieving the Group's strategic objectives. The Board assesses, evaluates and monitors on an on-going and annual basis the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls, to ensure they are appropriate and effective.

CORPORATE GOVERNANCE REPORT

Audit Committee

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

Management

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

Independent internal control consultant

Internal audit function is in place within the Group as required under Code Provision D.2.5 of the CG code. During FY2025, to strengthen the risk management and internal control of the Group, the Company has engaged an independent internal control consultant (the "IC consultant") to perform independent appraisal of the adequacy and effectiveness of certain subsidiaries' risk management and internal control systems for FY2025. The IC consultant reports directly to the Audit Committee on all internal audit matters. The Audit Committee is, therefore, able to monitor the internal control deficiencies and remediate the internal control deficiencies effectively. The auditor is also able to communicate to the Audit Committee directly on the internal control issues they noticed during their audit.

RISK MANAGEMENT PROCESS

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



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

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

MAINTAIN AN EFFECTIVE INTERNAL CONTROL SYSTEM AT THE OPERATIONAL LEVEL

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

During FY2025, the Board has reviewed the effectiveness of internal control policies and procedures, including those related to financial reporting and the Listing Rules compliance. The Board has considered the adequacy of resources, staff qualifications and experience, training programs for the staff and budget of the accounting, internal audit and financial reporting functions during the evaluation of the effectiveness of risk management and internal control systems.

On-going risk monitoring at risk management level

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

Independent review

The Group has appointed the IC consultant to conduct an internal control review¹ during FY2025, and the review covered the period from 1 July 2024 to 30 June 2025. An internal control review report has been provided to the Audit Committee.

The management has established remediation and improvement plan for internal control weaknesses identified. Nothing has come to the Audit Committee's or the Board's attention to believe that the risk management and internal control systems of the Group are inadequate or ineffective.

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

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

CORPORATE GOVERNANCE REPORT

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS RELATIONS

SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

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

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

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

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

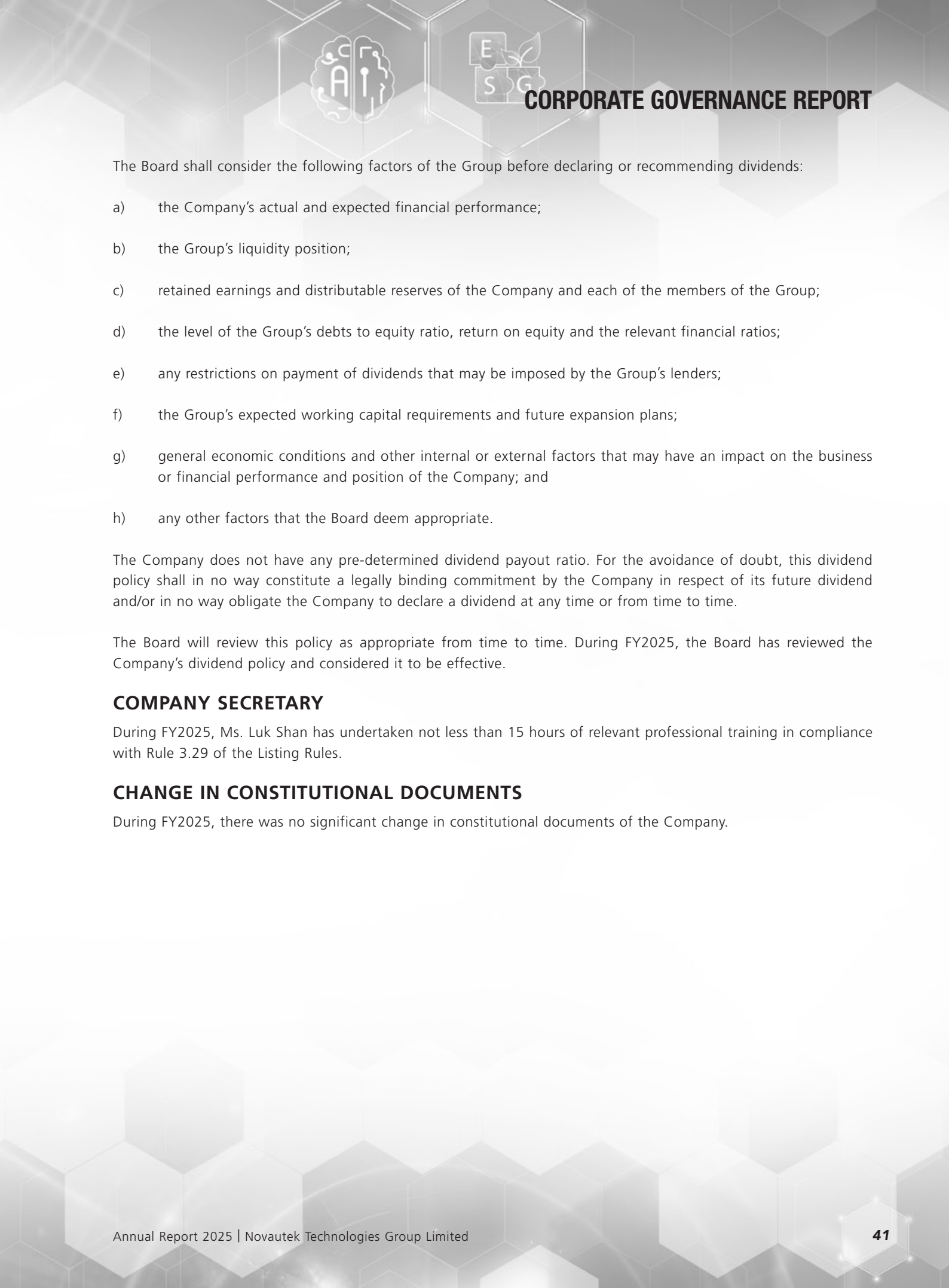
In order to provide detailed and up-to-date information of the Company to the Shareholders, the Company has a wide range of communication channels to ensure its Shareholders are kept well-informed. These comprise communication by way of general meetings, annual reports, multiples notices, announcements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

During FY2025, the Company has reviewed the implementation and its effectiveness of the Shareholders' communication policy. The Board is of the view that the Shareholders' communication policy of the Company has facilitated sufficient Shareholders' communication and considered this policy is effective and adequate.

DIVIDEND POLICY

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

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



CORPORATE GOVERNANCE REPORT

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

- a) the Company's actual and expected financial performance;
- b) the Group's liquidity position;
- c) retained earnings and distributable reserves of the Company and each of the members of the Group;
- d) the level of the Group's debts to equity ratio, return on equity and the relevant financial ratios;
- e) any restrictions on payment of dividends that may be imposed by the Group's lenders;
- f) the Group's expected working capital requirements and future expansion plans;
- g) general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- h) any other factors that the Board deem appropriate.

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

The Board will review this policy as appropriate from time to time. During FY2025, the Board has reviewed the Company's dividend policy and considered it to be effective.

COMPANY SECRETARY

During FY2025, Ms. Luk Shan has undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

CHANGE IN CONSTITUTIONAL DOCUMENTS

During FY2025, there was no significant change in constitutional documents of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

REPORTING SCOPE AND REPORTING PERIOD

This is the Group's 9th Environmental, Social and Governance ("ESG") Report (the "ESG Report") disclosing the ESG performance of the Group during the period from 1 July 2024 to 30 June 2025 (the "Reporting Period"). The ESG Report highlights our commitment and approach to creating value for the environment, our employees, our customers, and the community.

Unless otherwise stated, the ESG Report focuses on the sustainability performance of (i) the head office in Hong Kong; (ii) the operations of property investment; (iii) AI robot businesses; and (iv) the Wuxi Property Project in the PRC, which account for almost 100% of the Group's total revenue during the Reporting Period. The reporting boundary is determined by the materiality of each entity to our business and operations, as well as the ESG impacts. The operations of the AI robot business in Hong Kong were newly added to the reporting scope to present the Group's sustainability development performance in a more comprehensive manner, as Novautek Autonomous Driving, which the office in Hong Kong Science & Technology Parks Corporation ("HKSP"), became a subsidiary of the Company in 2023.

REPORTING STANDARDS

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

REPORTING PRINCIPLES

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

Materiality	We conduct materiality assessments regularly to identify ESG topics that are material to the Group and our stakeholders. ESG topics that are important to investors and other stakeholders are reported. Please refer to “Materiality Assessment” on pages 47 to 48 for more information.
Quantitative	The Group discloses measurable environmental and social key performance indicators (“KPIs”) in the ESG Report. Quantitative ESG targets are set to enhance our sustainability performance. Explanation of quantitative information is provided, and comparative data are given where appropriate. Please refer to “Performance Data Summary” from pages 61 to 63 for more information.
Balance	The ESG Report covers both challenges and achievements of the Group to provide an unbiased picture of our overall performance. Selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the report reader are avoided.
Consistency	Reporting standards and principles are substantially consistent with those of the prior year to allow for meaningful comparisons of ESG data over time. Should there be any changes, footnotes and explanations will be given to facilitate information interpretation.

FEEDBACK

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

ABOUT US

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

OUR APPROACH TO SUSTAINABILITY

Sustainable development is the core foundation for the Group to create long-term value for stakeholders. We deeply integrate sustainable development principles into our decision-making processes and daily operations to maximize value creation. In addition to our continuous internal efforts, we highly value feedback from various stakeholder groups and maintain open communication mechanisms to promote mutual understanding.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABILITY GOVERNANCE AND THE BOARD'S OVERSIGHT

To ensure sustainable development is effectively integrated into our decision-making processes, we have established a comprehensive ESG governance framework. The Board has full responsibility for formulating and reporting the Group's ESG strategy. The Board provides oversight of ESG issues with an emphasis on the Group's long-term development and positioning. Delegated by the Board, our ESG Working Group (the "ESG Working Group") is responsible for assisting the Board in planning and implementing the Group's ESG-related matters, and reporting to the Board. Led by the company secretary, the ESG Working Group consists of senior representatives from across the Group's business units. The ESG Working Group oversees and advises the Board on ESG matters on a regular basis.

The Board

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

The ESG Working Group

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

ESG Management Approach and Strategy

To incorporate sustainability into every aspect of our business and operations, we have established the ESG Framework, which consists of our priority areas with relevant goals and our environmental targets. The Board has approved the ESG Framework.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Our ESG Framework

Goals:

Using FY2020 as the baseline year, by FY2025, we target to achieve:



20% reduction in greenhouse gas ("GHG") emissions (Scopes 1 and 2)



20% reduction in energy use



20% reduction in water use



20% reduction in our waste generation



Creating Value for the Community

Goal:

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



Creating Value for Our Customers

Goal:

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



Creating Value for Our Employees

Goal:

We provide nurturing and fulfilling working environments to our employees



Creating Value for the Environment

Goal:

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

ESG Risk Identification and Mitigation

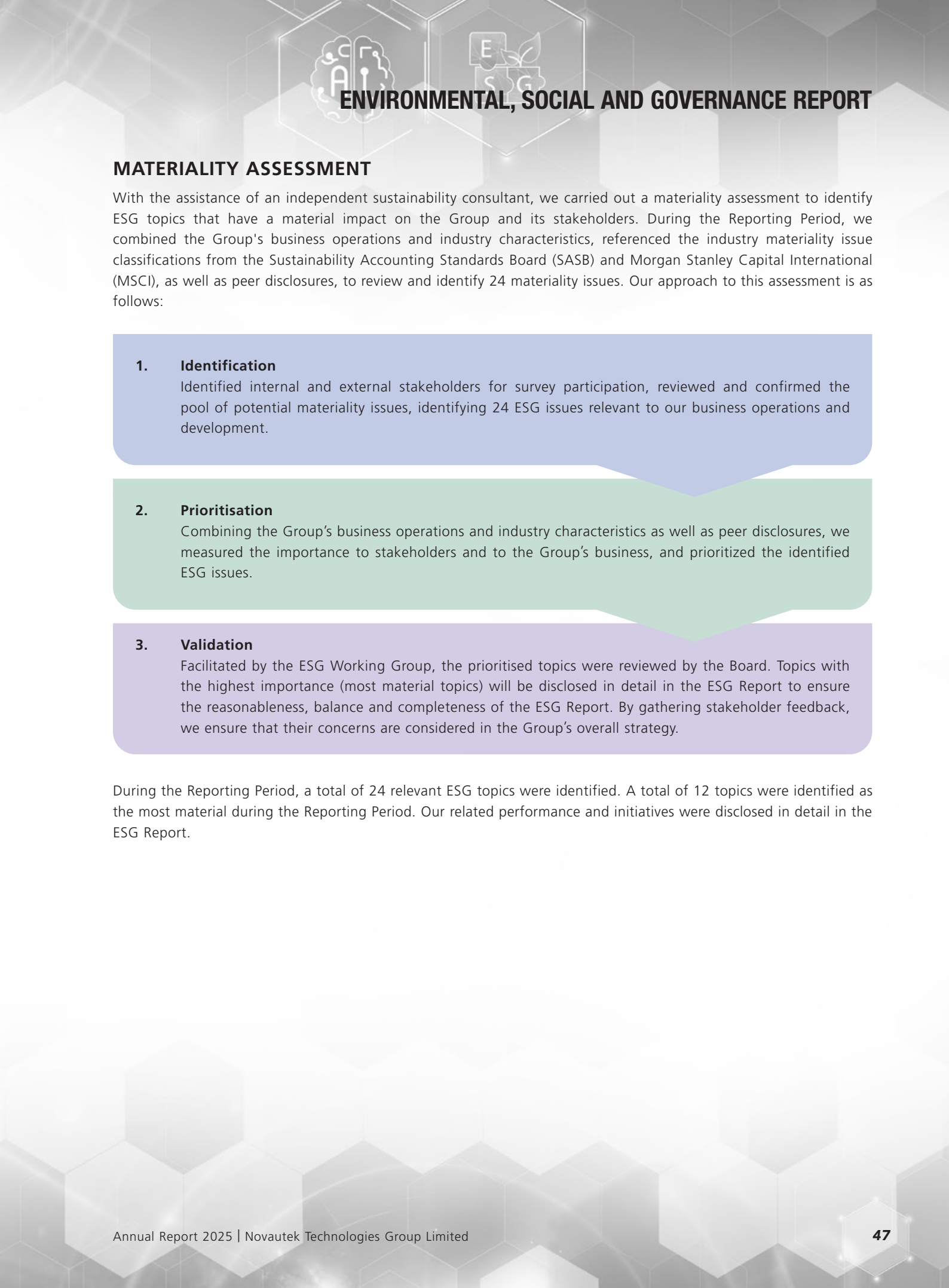
The ESG Working Group is responsible for identifying, evaluating, prioritising and managing ESG-related risks. Periodically, the ESG Working Group submits an ESG risk assessment report to the Board, highlighting the likelihood and significance of potential risks to the Group, including climate-related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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STAKEHOLDER GROUPS AND ENGAGEMENT CHANNELS

We maintain an active and continuous dialogue with our stakeholders to gather their perspectives, opinions and expectations. Our stakeholders are engaged through various channels, aiding us in improving our business operations and sustainability strategy. Our regular communication channels, along with key concerns of stakeholders and our corresponding responses, are summarised below:

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



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

With the assistance of an independent sustainability consultant, we carried out a materiality assessment to identify ESG topics that have a material impact on the Group and its stakeholders. During the Reporting Period, we combined the Group's business operations and industry characteristics, referenced the industry materiality issue classifications from the Sustainability Accounting Standards Board (SASB) and Morgan Stanley Capital International (MSCI), as well as peer disclosures, to review and identify 24 materiality issues. Our approach to this assessment is as follows:

1. Identification

Identified internal and external stakeholders for survey participation, reviewed and confirmed the pool of potential materiality issues, identifying 24 ESG issues relevant to our business operations and development.

2. Prioritisation

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

3. Validation

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

During the Reporting Period, a total of 24 relevant ESG topics were identified. A total of 12 topics were identified as the most material during the Reporting Period. Our related performance and initiatives were disclosed in detail in the ESG Report.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

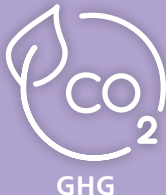
Materiality Topics

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL TARGETS FOR FY2025

The Group recognizes the importance of a robust approach to sustainability governance and the necessity of establishing clear objectives, metrics and KPIs. Based on this principle, we have set environmental targets to be achieved by FY2025. Using FY2020 as the baseline year, our objective is to reduce GHG emissions, waste generation, energy use and water consumption. Our environmental targets have been approved by the Board and we will continuously monitor and report our progress towards these targets. This year marks the final year of our five-year target framework. We will research, discuss, and develop new environmental targets to further enhance our ESG performance going forward.

Metric	Target	FY2020 Baseline Year Performance	FY2025 Performance	Progress
 GHG	Reduce GHG emissions (Scopes 1 and 2) by 20% on or before FY2025	468.38 tCO ₂ e	40.53 tCO ₂ e	 Achieved ↓91%
 Waste	Reduce waste generation by 20% on or before FY2025	70.05 Tonnes	1.71 Tonnes	 Achieved ↓98%
 Energy	Reduce energy consumption by 20% on or before FY2025	694.73 MWh	65.61 MWh	 Achieved ↓90%
 Water	Reduce water use by 20% on or before FY2025	1,080.00 m ³	252.00 m ³	 Achieved ↓77%

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CREATING VALUE FOR THE ENVIRONMENT

GOAL:

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

MOST MATERIAL TOPICS COVERED IN THIS CHAPTER:

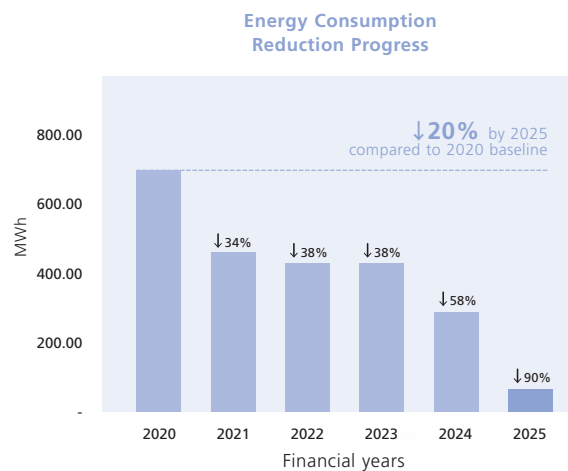
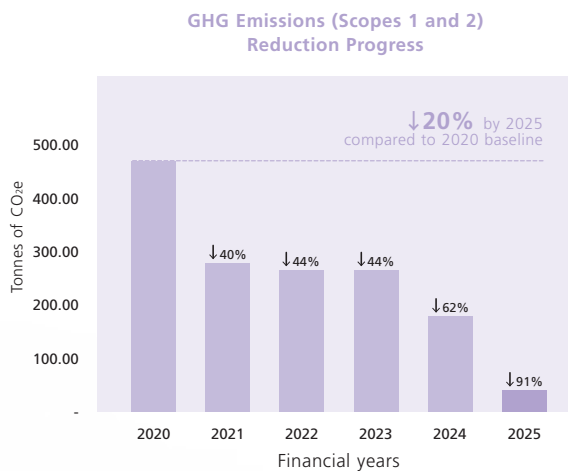
- Energy Efficiency and GHG Emissions
- Waste Management
- Green Building

We aim to minimise the environmental impacts of our operations and promote environmental sustainability to our stakeholders and the community. In this regard, we ensure strict compliance with relevant environmental laws and regulations¹. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

GHG REDUCTION AND ENERGY CONSERVATION

Our main source of GHG emissions is the purchased electricity consumed by our offices and construction developments. As our business operations did not involve fuel consumption during the Reporting Period, there were no significant air emissions and scope 1 emissions during the Reporting Period. We advocate using video conferencing to replace business travel in order to reduce our carbon footprint. Additionally, we also encourage employees to use public transportation for commuting as much as possible.

In order to minimise our environmental footprint, we actively promote energy-saving to our employees. We encourage employees to turn off unnecessary electrical equipment when leaving the office, and regularly issue notices reminding colleagues to switch off air conditioning and computers before leaving work, jointly practicing energy conservation and emission reduction. Our offices are committed to maintaining room temperatures no lower than 25°C. Furthermore, when office electronic equipment needs replacement, we prioritize selecting products with higher energy efficiency.

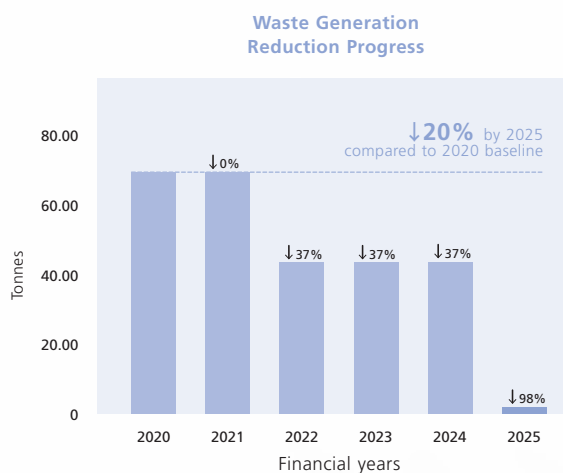


¹ For environmental laws and regulations, please refer to the section headed "Significant Laws and Regulations".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

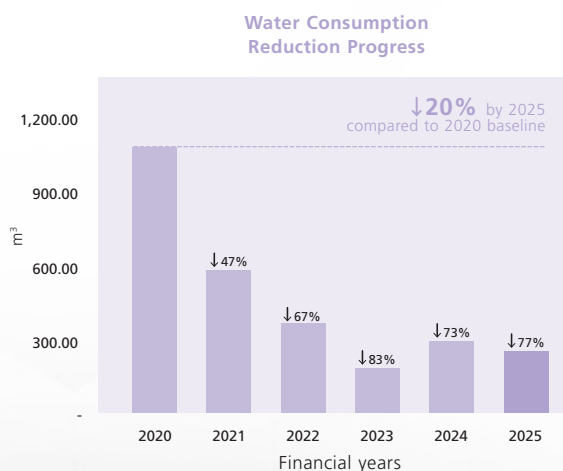
WASTE MANAGEMENT

The Group's waste generation includes construction waste generated from construction projects and general office waste. While waste discharge is relatively insignificant in our operation, we properly manage all wastes and, where necessary, engage a qualified third party for disposal. To meet the waste reduction target established for FY2025, we will continue to make further efforts to reduce the waste produced by our business operations. To reduce paper consumption, the majority of our corporate communications are currently distributed in electronic format. As part of our journey toward a paperless office environment, our employees are actively encouraged to adopt double-sided printing practices and, whenever feasible, recycle scrap paper.



CONSERVING WATER RESOURCES

The Group's water consumption mainly comes from project development and office operations in Wuxi. We ensure that all wastewater is appropriately treated in strict compliance with local environmental regulations to minimize adverse impacts on the water ecosystem. In pursuit of a 20% reduction in water consumption by FY2025, we consistently reinforce the importance of water conservation to all our employees. As our local water supply is directly provided by water supply companies, the Group did not encounter any problems in sourcing water during the Reporting Period.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUSTAINABLE PROPERTIES

Green buildings are becoming increasingly popular in the Chinese property market due to their better resilience against climate risks and lower electricity costs. We have adopted sustainable designs in our Wuxi Property Project, including but not limited to the following:

Sustainable Design Features for the Wuxi Property Project

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

THE ENVIRONMENT AND NATURAL RESOURCES

Our Group proactively deploys environmental strategies and initiatives to mitigate operational impacts on the environment. Through continuous monitoring of our Wuxi properties' environmental performance, we ensure regulatory compliance while upholding our commitment to environmental and natural resource protection. Our biodiversity conservation efforts focus on sustainable operations that minimize ecosystem disruption. Moving forward, we remain committed to implementing policies that reduce environmental impacts and enhance environmental consciousness.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

RESPONSE TO CLIMATE CHANGE

The Group recognises the potential impacts of climate change on our business. We aim to strengthen our capacity to efficiently manage climate-related risks, including both physical and transitional risks. In this regard, we have established our environmental targets for FY2025 and continuously evaluate our exposure to climate-related risks.

In accordance with the Task Force on Climate-related Financial Disclosures (TCFD) framework, the Group undertook a thorough evaluation of climate change's direct and indirect operational impacts. Below, we present our identified climate-related risks alongside their respective mitigation approaches.

Physical Risk	Impact on the Group	Mitigation Measures
Increase in Extreme Weather Events	– Employee safety issues arising from extreme weather – Potential property damage due to extreme weather events affecting invested properties	– Undertake precautionary measures for employees during strong typhoons and rainfalls, such as allowing them to work remotely from their homes – The impact of extreme weather like flooding and typhoons have been taken into consideration in the safety design of the Wuxi Property Project – Materials with high resistance against wind, water and heat are selected to provide better resilience against extreme weather – Monitor weather forecasts for safety measures in advance – Advise Wuxi employees to coordinate with the property management companies to address any potential damage from extreme weather – Conduct flood prevention training for Wuxi employees
Transitional Risk	Impact on the Group	Mitigation Measures
Tightened Climate-related Policy	– Failure to meet the latest emission requirements may be subject to legal liability	– Monitor the regulatory trends to ensure the Group's emissions meet the latest legal requirements

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CREATING VALUE FOR OUR EMPLOYEES

GOAL:

We provide nurturing and fulfilling working environments to our employees.

MOST MATERIAL TOPICS COVERED IN THIS

CHAPTER:

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

We are dedicated to fostering a secure, comfortable, and inspiring work environment where employees can achieve personal and professional growth, contributing to a highly effective and productive organization. We abide by all applicable laws and regulations² relating to employment. During the Reporting Period, we were not aware of any material non-compliance with laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

TALENT ATTRACTION AND RETENTION

Recognizing that employees play a critical role in the Group's sustained growth and development, we place paramount importance on talent acquisition and retention. We employ diverse recruitment channels, including internal referrals, job postings and other methods. Throughout our recruitment process, we are committed to ensuring equal opportunities for candidates from all backgrounds.

Our selection is solely based on merit, regardless of gender, age, marital status, family status, pregnancy, disability, race, or religion. Our policies explicitly prohibit all forms of harassment and discrimination within the work environment. We encourage employees to voice concerns about potential misconduct directly to the chairman of the Audit Committee.

We provide our employees with compensation and benefit packages to maintain our precious human capital. Our employees enjoy compensation benefits such as meal allowances, as well as non-statutory holidays. Furthermore, we prioritise the well-being of our employees and provide comprehensive welfare packages, including parental leave, medical insurance, and hospital benefits, as well as a variety of allowances. Employees are also eligible for overtime pay or compensated leave. To ensure competitive compensation, our packages are regularly benchmarked against industry standards.

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

² For laws and regulations relating to employment, please refer to the section headed "Significant Laws and Regulations".



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HUMAN RIGHTS PROTECTION

As a responsible employer, the Group is committed to safeguarding the human rights of all employees and workers. We implement a zero-tolerance stance against all forms of forced and child labour, and strictly abide by all applicable laws and regulations³ relating to labour standards. During our recruitment process, the human resources department conducts a thorough examination of the personal documents submitted by candidates to confirm their eligibility in accordance with our internal policies. If any discrepancies or indications of child or forced labour are identified, immediate action will be taken to remove the candidate from the position. We also give employees adequate rest time to prevent forced labour. Our human resources department reviews the recruitment practices regularly to ensure the effectiveness of our existing measures against child and forced labour. During the Reporting Period, the Group was not aware of any material non-compliance with laws and regulations relating to preventing child and forced labour.

OCCUPATIONAL HEALTH AND SAFETY

Protecting our employees and workers from safety and health hazards is our top priority. In this regard, we ensure strict compliance with all relevant laws and regulations⁴ relating to health and safety. To ensure that our workers and employees are familiar with the safety procedures in the event of safety hazards, the Group organizes emergency drills for employees. We maintain construction sites with complete safety equipment, including personal protective gear and first-aid stations. Meanwhile, we deliver comprehensive health and safety education to all personnel.

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

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

PROFESSIONAL TRAINING AND DEVELOPMENT

Training is instrumental in enhancing employee competencies. Through regular assessment of our workforce's learning and development requirements, the Group delivers comprehensive internal and external training opportunities, ensuring our employees stay current with the latest knowledge and skills. Our managers and department heads regularly review employees' skills and performance to ensure that adequate and effective trainings are provided.

In terms of internal training, we provide both theoretical and hands-on training programmes, covering relevant technical, safety and integrity topics. This equips our staff to fully understand their roles and fulfill their responsibilities. We further foster employees' professional growth by facilitating their pursuit of professional certifications through sponsorship for participation in external training programmes.

³ For laws and regulations relating to labour standards, please refer to the section headed "Significant Laws and Regulations".

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

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CREATING VALUE FOR OUR CUSTOMERS

GOAL:

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

MOST MATERIAL TOPICS COVERED IN THIS

CHAPTER:

- Product and Service Quality, Design and Life Cycle Management
- Customer Privacy, Data Protection and Cybersecurity
- Corporate Governance, Business Ethics and Integrity

The Group is committed to delivering excellence in design, construction and development to fulfill customer expectations. We firmly believe that embedding sustainability into our projects is fundamental to creating lasting value for our valued customers. In our pursuit of customer satisfaction, we comply with all applicable laws and regulations relating to product responsibility and anti-corruption⁵. During the Reporting Period, we were not aware of any material non-compliance with laws and regulations relating to health and safety, advertising, labelling, privacy matters relating to our products and services provided and methods of redress, as well as bribery, extortion, fraud and money laundering.

DELIVERING QUALITY SERVICES FOR OUR CUSTOMERS

Quality products and services for our customers are paramount to the Group. We have established a comprehensive policy framework to oversee all phases of the Wuxi Property Project, ensuring consistent standards throughout the entire lifecycle, spanning from initial planning and design through construction, delivery, and post-sale support. In the rare event that any phase fails to meet the internal and legal standards, the responsible personnel are required to rectify the situation before progressing. The local Department of Development and Reform has provided approval for this development project, ensuring its compliance with regulatory standards.

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

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

⁵ For laws and regulations relating to product responsibility and anti-corruption, please refer to the section headed “Significant Laws and Regulations”.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

EMBRACING THE FUTURE TRENDS OF AI ROBOTS

In line with our belief in utilising technology to create a better life, we strive to explore opportunities in the field of AI robot technology and innovation. We offer our customers a wealth of AI robot solutions that enhance well-being and quality of life, including:



1. Humanoid Robot and Concierge Robot

- Supports visual interaction, voice interaction, tactile interaction, and facial expression interaction
- General inquiries: the robot receptionist is installed the natural language system, intelligible and chatty, and gives you massive information you want
- Customize the route and be guided with narration in several languages



2. Intelligent Cleaning and Sanitation

- Employs autonomous driving technology for cleaning and sanitation tasks, offering convenient operation in specific environments while reducing accident rates
- Enables intelligent configuration and automation with the built-in super brain
- Achieves high recognition accuracy and fine perception capability to increase cleaning efficiency
- Achieves seamless integration of intelligent configuration and automated execution to create an integrated operational workflow



3. Intelligent Security and Inspection

- Safeguards the safety of personnel and assets with active inspection and enhanced AI recognition and traceability
- Ensures security and incident prevention with 360-degree monitoring, a “smart patrol” function and 24/7 patrol
- Enhances safety and efficiency with obstacle avoidance technology



4. Intelligent Logistics Delivery

- Improves delivery efficiency and extends delivery hours
- Equips with industry-leading L4 autonomous driving capability, providing reliable performance in extreme weather
- Incorporates advanced technology including perception system, deep learning, self-innovated hardware and simulation platform



5. Intelligent Warehouse Management

- Integrates autonomous handling and sorting technologies with smart storage and scheduling systems to provide a one-stop solution for unmanned intelligent warehousing and park transportation
- Ensures zero sensing blind zones around the car body
- Allows general indoor and outdoor use 24/7
- Utilises 3D Simultaneous Localization and Mapping (SLAM) for rapid deployment

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CUSTOMER SATISFACTION

Customer insights play a pivotal role in driving our business development and success. As such, we treat every piece of customer feedback as valuable and employ various communication channels to gather their perspectives. Relevant departments promptly address complaints within a reasonable timeframe to ensure overall satisfaction. During the Reporting Period, there were no material complaints⁽⁶⁾ (FY2024: 0) in relation to products and services, and there were no products sold or shipped subjected to recalls for safety and health reasons (FY2024: N/A).

FULFILLING COMMITMENTS TO CUSTOMERS

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

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

CUSTOMER DATA PROTECTION

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

INTELLECTUAL PROPERTY RIGHTS

The Company complies with regulations concerning the protection and safeguarding of intellectual property rights. For instance, we require all computer software installations to be authorized by the IT department to ensure only legitimate software is installed. During the Reporting Period, the Group did not experience any material intellectual property infringement incidents. We have implemented appropriate measures to prevent any infringement of both our own intellectual property and that of third parties.

ADVERTISING AND MARKETING

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

⁶ Material complaints refer to complaints that have long-term material impact on our customers, or a failure to deliver agreed-upon service requirements.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SUPPLY CHAIN MANAGEMENT

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

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

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

As of 30 June 2025, we have a total of 54 suppliers (FY2024: 65), and we implemented our supplier engagement practices to 45 of our suppliers during the Reporting Period.

ANTI-CORRUPTION

The Group has zero tolerance for corruption, bribery, fraud, money laundering and other unethical practices. We ensure strict compliance with all applicable laws and regulations relating to anti-corruption⁷. All employees are obligated to sign an integrity pledge and adhere to our anti-corruption code of conduct and relevant policies. With the whistle-blowing mechanism in place, employees are strongly encouraged to report suspected corruption cases to the Group's management, either verbally or through mail. All reports and complaints receive strict confidential treatment, protecting whistleblower anonymity and safety. Subsequent investigations will be conducted in a fair manner, and corrective and follow-up actions will be taken promptly. The Board has an overall responsibility for the mechanism, whereas the Audit Committee is responsible for overseeing and implementing the mechanism.

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

The Group maintains an unwavering commitment to business integrity throughout our supply chain. We mandate that key partners sign anti-corruption agreements, strictly prohibiting illegal activities such as bribery, extortion, fraud, and money laundering. Thorough investigations will be conducted, and corrective action will be taken to protect the Group and its stakeholders if any improper activities are discovered. There were no concluded legal cases regarding corrupt practices brought against the Group or our employees during the Reporting Period.

⁷ For laws and regulations relating to anti-corruption, please refer to the section headed "Significant Laws and Regulations".

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CREATING VALUE FOR THE COMMUNITY

GOAL:

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

MOST MATERIAL TOPIC COVERED IN THIS CHAPTER:

– Community Engagement and Investment

The Group is committed to generating positive community impact through active participation in charitable initiatives, providing care and support to vulnerable populations. During the Reporting Period, our community contributions centered on advancing health and well-being with charitable donations during the Reporting Period. Nurturing a culture of volunteering, we motivate employees across different business units and at all levels to contribute their skills and expertise to benefit the community.

EMPOWERING AND SUPPORTING THE DISABLED

The Group remains dedicated to fostering positive change within our community, with a focus on supporting vulnerable groups. Recognizing the importance of assisting individuals with disabilities, during the Reporting Period, we made a charitable donation to support local non-governmental organisations, such as Hong Kong Rehabilitation Power (香港復康力量). This contribution supported services and activities for people with disabilities, furthering our commitment to enhancing community well-being and inclusivity.

RECOGNISED AS A “CARING COMPANY” FOR 2024/25

We continue to strive to address social issues while creating profits. During the Reporting Period, our dedication to corporate social responsibility was recognized by the Hong Kong Council of Social Service, which awarded us the Caring Company Logo for 2024/25. This honor acknowledges our role as a responsible corporate citizen and our commitment to caring for society, our employees, and the environment.



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

PERFORMANCE DATA SUMMARY

ENVIRONMENTAL^{8, 9, 10, 11}

Indicator	Unit	FY2024	FY2025
GHG Emissions¹²			
Total GHG Emissions (Scopes 1 and 2) ¹³	Tonnes of CO ₂ e	177.46	40.53
Energy Indirect Emission (Scope 2) ¹⁴	Tonnes of CO ₂ e	177.46	40.51
Total GHG Emissions (Scopes 1 and 2) Intensity ¹²	Tonnes of CO ₂ e/m ²	0.13	0.03
Energy			
Total Energy Consumption	MWh	290.10	65.61
Purchased Electricity	MWh	290.10	65.61
Total Energy Consumption Intensity	MWh/m ²	0.21	0.041
Hazardous Waste			
Total Hazardous Waste	Tonnes	N/A	0.0019¹⁵
Total Hazardous Waste Generation Intensity	Kg/m ²	N/A	0.0012
Non-Hazardous Waste			
Total Non-Hazardous Waste	Tonnes	44.38 ¹⁶	1.71
Total Non-Hazardous Waste Generation Intensity	Kg/m ²	31.69	1.08
Water			
Total Water Consumption ¹⁷	m ³	288.00	252.00
Total Water Consumption Intensity	m ³ /m ²	0.21	0.16

⁸ Totals may not be the exact sum of numbers shown here due to rounding.

⁹ Unless otherwise specified, our environmental KPIs cover the office operations in Hong Kong and Wuxi.

¹⁰ The Group's business operations did not involve fuel consumption during the Reporting Period, resulting in no significant generation of air emissions.

¹¹ The intensity metric is based on the total floor area of our operating offices in Hong Kong and Wuxi during the respective reporting year in this chapter, unless otherwise specified.

¹² In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by The World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.

¹³ The Group's business operations did not involve fuel consumption during the Reporting Period, resulting in no significant generation of Scope 1 GHG emissions.

¹⁴ Due to the unavailability of provision of individual occupant electricity consumption data from the energy supplier, electricity consumption in Wuxi office was estimated based on the amount of electricity consumption per person from the design of property.

¹⁵ During this Reporting Period, we included the calculation and disclosure of hazardous waste data.

¹⁶ The amount of non-hazardous waste produced in FY2024 was estimated using daily waste generation amount.

¹⁷ The water supply for the Hong Kong office was solely under the control of the building management. However, due to the unavailability of provision of data for individual occupants and sub-metres from the building management, the water consumption data covers only the office operation in Wuxi, and its estimation of water consumption data is based on the per-person water consumption from the property's design.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL

Indicator	Unit	FY2024	FY2025
Workforce			
Total Workforce ¹⁸	Number of People	32	56
By Gender			
Male	Number of People	16	30
Female	Number of People	16	26
By Employment Type			
Full-Time	Number of People	32	56
Part-Time	Number of People	0	0
By Employee Category			
Senior Management	Number of People	2	8
Middle-Level Management	Number of People	13	11
General and Technical Staff	Number of People	17	37
By Age Group			
30 or below	Number of People	4	11
31-40	Number of People	13	26
41-50	Number of People	11	14
51 or above	Number of People	4	5
By Geographical Region			
Hong Kong	Number of People	10	20
The PRC	Number of People	22	36
Employee Turnover^{18, 19}			
Total Turnover	Number of People	8	4
Total Turnover Rate	%	25	7
By Gender			
Male	%	31	10
Female	%	19	4
By Age Group			
30 or below	%	0	0
31-40	%	23	12
41-50	%	45	0
51 or above	%	0	20

¹⁸ The boundary of the total workforce, employee turnover and training data reported is in line with the scope of the Human Resources and Remuneration Policy under the section "Management Discussion and Analysis" in this annual report.

¹⁹ Employee turnover rate refers to the total number of employee turnover of particular categories (i.e., gender, age group and geographical region) divided by the total number of employees of the corresponding category.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Indicator	Unit	FY2024	FY2025
By Geographical Region			
Hong Kong	%	10	5
The PRC	%	32	8
Health and Safety			
Work-Related Fatality	Number	0	0
Lost Day due to Work Injury	Day(s)	0	0
Employee Training^{18, 20}			
Total Training Hours	Hours(s)	114.50	106.00
Average Training Hours of Employees	Hours(s)	3.58	1.89
Percentage of Employees Trained	%	94	86
Average Training Hours by Gender			
Male	Hours(s)	2.25	2.10
Female	Hours(s)	4.91	1.65
Average Training Hours by Employee Category			
Senior Management	Hours(s)	2.00	2.06
Middle-Level Management	Hours(s)	3.50	1.45
General and Technical Staff	Hours(s)	3.82	1.99
Percentage of Employees Trained by Gender			
Male	%	47	90
Female	%	53	81
Percentage of Employees Trained by Employee Category			
Senior Management	%	7	75
Middle-Level Management	%	37	91
General and Technical Staff	%	57	86
Suppliers			
Hong Kong	Number	20	23
The PRC	Number	45	31
Products Responsibility			
Products and Service-Related Complaints	Number	0	0
Products Sold or Shipped Subjected To Recalls for Safety and Health Reasons	%	0	0

²⁰ Average training hours refer to total training hours of particular categories (i.e., gender and employee categories) divided by the total number of employees of the corresponding category at the end of the respective reporting year. Percentage of employee trained refers to total number of employees trained of particular categories (i.e., gender and employee categories) divided by the total number of employees trained at the end of the respective reporting year.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SIGNIFICANT LAWS AND REGULATIONS

Aspect

Significant Laws and Regulations

Aspect A: Environmental

- Waste Disposal Ordinance (Cap. 354 of the Laws of Hong Kong)
- Environmental Protection Law of the PRC (《中華人民共和國環境保護法》)
- Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》)
- Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》)
- Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》)
- Law of the PRC on the Prevention and Control of Environmental Pollution by Solid Wastes (《中華人民共和國固體廢物污染環境防治法》)

Aspect B1: Employment

Aspect B4: Labour Standards

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong)
- Social Insurance Law of the PRC (《中華人民共和國社會保險法》)
- Labour Law of the PRC (《中華人民共和國勞動法》)
- Labour Contract Law of the PRC (《中華人民共和國勞動合同法》)
- Provisions on the Prohibition of Using Child Labour (《禁止使用童工規定》)

Aspect B2: Health and Safety

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong)
- Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》)

Aspect B6: Product
Responsibility

- Landlord and Tenant (Consolidation) Ordinance (Cap. 7 of the Laws of Hong Kong)
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong)
- Advertising Law of the PRC (《中華人民共和國廣告法》)
- Law of the PRC on the Protection of Consumer Rights and Interests (《中華人民共和國消費者權益保護法》)

Aspect B7: Anti-corruption

- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong)
- Anti-unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》)
- Criminal Law of the PRC (《中華人民共和國刑法》)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Subject Area, Aspects and Key Performance Indicators	Chapter/Disclosure	Page
Mandatory Disclosure Requirements		
Governance Structure		
A statement from the board containing the following elements:	Our Approach to Sustainability	43
(i) a disclosure of the board's oversight of ESG issues;		
(ii) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues; and		
(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's business.		
Reporting Principles		
A description of, or an explanation on, the application of the Reporting Principles in the preparation of the ESG report:	Reporting Principles	43
Materiality: The ESG report should disclose:		
(i) the process to identify and the criteria for the selection of material ESG factors; and		
(ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement.		
Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.		
Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.		
Reporting Boundary		
A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report.	Reporting Scope and Reporting Period	42

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Area, Aspects and Key Performance Indicators "Comply or Explain" Provisions

A. Environmental

Aspect A1: Emissions

General Disclosure

Information on:

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.

KPI A1.1	The types of emissions and respective emissions data.
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).
KPI A1.5	Description of emission target set and steps taken to achieve them.
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.

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Creating Value for the Environment; Significant Laws and Regulations

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GHG Reduction and Energy Conservation; Environmental Targets for FY2025 Waste Management; Environmental Targets for FY2025

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Area, Aspects and Key Performance Indicators

Aspect A2: Use of Resources

General Disclosure

Policies on the efficient use of resources, including energy, water and other raw materials.

- KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).
- KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).
- KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.
- KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.
- KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.

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Performance Data Summary – Environmental

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Performance Data Summary Environmental

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GHG Reduction and Energy Conservation; Environmental Targets for FY2025 Conserving Water Resources; Environmental Targets for FY2025

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The use of packaging material for finished products is not applicable to the Group's business.

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Aspect A3: The Environment and Natural Resources

General Disclosure

Policies on minimising the issuer's significant impact on the environment and natural resources.

- KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.

The Environment and Natural Resources

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The Environment and Natural Resources

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Aspect A4: Climate Change

General Disclosure

Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.

- KPI A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer and the actions taken to manage them.

Response to Climate Change

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Response to Climate Change

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Area, Aspects and Key Performance Indicators

B. Social

Aspect B1: Employment

General Disclosure

Information on:

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.

KPI B1.1 Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.

KPI B1.2 Employee turnover rate by gender, age group and geographical region.

Aspect B2: Health and Safety

General Disclosure

Information on:

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to providing a safe working environment and protecting employees from occupational hazards.

KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.

KPI B2.2 Lost days due to work injury.

KPI B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.

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**Creating Value for Our Employees;
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Area, Aspects and Key Performance Indicators

Aspect B3: Development and Training

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Professional Training and Development

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Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.

KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).

Performance Data Summary – Social

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KPI B3.2 The average training hours completed per employee by gender and employee category.

Performance Data Summary – Social

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Aspect B4: Labour Standards

General Disclosure

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Significant Laws and Regulations

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Information on:

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to preventing child and forced labour.

KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.

Human Rights Protection

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KPI B4.2 Description of steps taken to eliminate such practices when discovered.

Human Rights Protection

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Aspect B5: Supply Chain Management

General Disclosure

Supply Chain Management;
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Policies on managing environmental and social risks of the supply chain.

KPI B5.1 Number of suppliers by geographical region.

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KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.

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KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.

Supply Chain Management

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KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.

Supply Chain Management;
Green Procurement

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Area, Aspects and Key Performance Indicators

Aspect B6: Product Responsibility

General Disclosure

Information on:

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.
KPI B6.4	Description of quality assurance process and recall procedures.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.

Aspect B7: Anti-corruption

General Disclosure

Information on:

- (a) the policies; and
- (b) compliance with relevant laws and regulations that have a significant impact on the issuer

relating to bribery, extortion, fraud and money laundering.

KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.
KPI B7.3	Description of anti-corruption training provided to directors and staffs.

Chapter/Disclosure

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**Creating Value for our Customers;
Significant Laws and Regulations**

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**Customer Satisfaction;
Performance Data Summary – Social
Customer Satisfaction;
Performance Data Summary – Social
Intellectual Property Rights**

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**Delivering Quality Services for our
Customers;
Customer Satisfaction
Customer Data Protection**

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**Anti-corruption;
Significant Laws and Regulations**

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Anti-Corruption

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Anti-Corruption

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Anti-Corruption

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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Subject Area, Aspects and Key Performance Indicators

Aspect B8: Community Investment

General Disclosure

Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.

Chapter/Disclosure

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Creating Value for the Community

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KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture and sport).

Creating Value for the Community

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KPI B8.2 Resources contributed (e.g. money or time) to the focus area.

Creating Value for the Community

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INDEPENDENT AUDITOR'S REPORT

Forvis Mazars CPA Limited
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forv/s
mazars

To the members of

Novautek Technologies Group Limited

(formerly known as Applied Development Holdings Limited)

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Novautek Technologies Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 79 to 152, which comprise the consolidated statement of financial position as at 30 June 2025, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 30 June 2025, and of its financial performance and cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Companies Ordinance.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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



KEY AUDIT MATTERS *(continued)*

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

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties <i>Relevant disclosures are made in notes 2 and 14 to the consolidated financial statements.</i> The Group's investment properties measured at fair value amounted to HK\$855,815,000 as at 30 June 2025. The fair value was determined with reference to the valuation carried out by an independent professional valuer engaged by the management. We have identified this matter as a key audit matter because the amount is significant and the valuation of investment properties involved significant judgements and estimates including the determination of valuation techniques and the selection of input data used in the valuation models.	Our audit procedures, among others, included: – Understanding and evaluating the management's key controls over the fair value assessment process; – Evaluating the competence, capabilities and objectivity of the independent professional valuer; – Discussing with the independent professional valuer to understand the valuation methodologies and the key estimates and assumptions adopted; – Assessing the reasonableness of the significant assumptions adopted in the valuation; – Checking the accuracy and relevance of the key inputs used in the valuation; and – Challenging the judgement and estimates made by the management and the valuers regarding the factors considered during the assessment.

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(continued)*

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

Key audit matter	How our audit addressed the key audit matter
Net realisable value ("NRV") of properties held for sales ("PHS") <i>Relevant disclosures are made in notes 2 and 19 to the consolidated financial statements.</i> As at 30 June 2025, the Group had PHS amounting to approximately HK\$105,125,000, which accounted for 8% of the Group's total assets. The Group's PHS are stated at the lower of cost and NRV. The NRV of PHS is assessed with reference to the valuation carried out by an independent professional valuer engaged by the management. We have identified the assessment of NRV of the Group's PHS as a key audit matter because the amount is significant and significant estimation and judgement are involved in the measurement of the NRV.	Our audit procedures, among others, included: – Understanding and evaluating the management's key controls over the NRV assessment process; – Assessing the appropriateness of the determination of NRV of the PHS by, on a sample basis, comparing the NRV to market prices achieved in the same projects or comparable properties, based on the current market development trend and regulations in the real estate industry and our knowledge of the Group's business with reference to the valuation report prepared by the independent professional valuer; – Evaluating the competence, capabilities and objectivity of the independent professional valuer; – Discussing with the independent professional valuer the valuation methodology and the key estimates and assumptions adopted in the valuation; – Assessing the management's process in estimating, if applicable, the estimated selling expenses for the PHS by comparing them, on a sample basis, to the actual cost and comparing the adjustments made by the management in the selling expenses for the sales of PHS; and – Challenging the judgement and estimates made by the management and the valuer regarding the factors considered during the assessment.



INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTERS *(continued)*

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

Key audit matter

How our audit addressed the key audit matter

Valuation of unlisted investment funds

Relevant disclosures are made in notes 2 and 17 to the consolidated financial statements.

As at 30 June 2025, the Group's unlisted investment funds with carrying amounts of approximately HK\$14,872,000 were carried at fair value through profit or loss and categorised as level 3.

The fair value of the unlisted investment funds categorised as level 3 is assessed with reference to valuation carried out by independent professional valuers engaged by the management.

We have identified the fair value assessment of unlisted investment funds categorised as level 3 as a key audit matter because the amount is significant and the valuation of unlisted investment funds involved significant judgement and estimates including the determination of valuation techniques and selection of input data used in the valuation models.

Our audit procedures, among others, included:

- Understanding and evaluating the management's key controls over the fair value assessment process;
- Evaluating the competence, capabilities and objectivity of the independent professional valuers;
- Discussing with the management and the independent professional valuers about the valuation of the unlisted investment funds:
 - (i) assessing the appropriateness of the valuation techniques and the key estimates and assumptions adopted in the valuation;
 - (ii) testing the appropriateness of the key input data by checking to the relevant market data / information and / or recent transactions; and
 - (iii) inquiring and assessing the rationale of the management's selection of the key inputs and obtaining the supporting evidence; and
- Challenging the judgement and estimates made by the management and the valuer regarding the factors considered during the assessment.

INDEPENDENT AUDITOR'S REPORT

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the 2025 annual report of the Company but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

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

Forvis Mazars CPA Limited

Certified Public Accountants

Hong Kong, 29 September 2025

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

KWOK, Yuen Man

Practising Certificate number: P04604

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Revenue	5	33,795	41,057
Cost of sales		(19,751)	(19,427)
Gross profit		14,044	21,630
Other revenue	5	60	382
Other income	6	16,380	2,459
Net gain on disposal of financial assets at fair value through profit or loss ("FVPL")		15,093	738
Net decrease in fair value of financial assets at FVPL		(19,920)	(14,636)
Net increase in fair value of investment properties	14	74,522	26,243
Selling expenses		(5,282)	(3,890)
Administrative expenses		(26,241)	(27,919)
Research and development expenses		(1,954)	(93)
Other expenses		(11,889)	(43,031)
Finance costs	8	(7,870)	(10,098)
Profit (Loss) before taxation	9	46,943	(48,215)
Taxation	10	(39,818)	(6,219)
Profit (Loss) for the year		7,125	(54,434)
Other comprehensive income (loss)			
<i>Item that may be reclassified subsequently to profit or loss</i>			
– Exchange differences arising on translation of foreign operations		7,719	(11,716)
<i>Item that will not be reclassified to profit or loss</i>			
– Change in fair value of financial assets at fair value through other comprehensive income ("Designated FVOCI")		–	(23)
Total other comprehensive income (loss) for the year		7,719	(11,739)
Total comprehensive income (loss) for the year		14,844	(66,173)
Profit (Loss) attributable to:			
Owners of the Company		9,046	(50,607)
Non-controlling interests		(1,921)	(3,827)
		7,125	(54,434)
Total comprehensive income (loss) attributable to:			
Owners of the Company		16,765	(62,346)
Non-controlling interests		(1,921)	(3,827)
		14,844	(66,173)
Earnings (Loss) per share	12		
Basic		0.30 HK cents	(1.76) HK cents
Diluted		0.30 HK cents	(1.76) HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties	14	855,815	407,624
Property, plant and equipment	15	57,315	66,332
Designated FVOCI	16	96	96
		913,226	474,052
Current assets			
Inventories	18	2,854	568
Properties held for sales	19	105,125	578,836
Financial assets at FVPL	17	40,409	124,844
Other receivables	20	31,536	25,427
Restricted bank deposits	21	22,888	22,275
Cash and cash equivalents	21	70,198	47,671
		273,010	799,621
Non-current assets classified as held for sales	22	82,800	–
		355,810	799,621
Current liabilities			
Accounts and other payables	23	161,378	200,736
Interest-bearing borrowings	24	178,186	199,987
Tax payables		2,365	2,324
		341,929	403,047
Net current assets		13,881	396,574
Total assets less current liabilities		927,107	870,626
Non-current liabilities			
Deferred tax liabilities	27	139,731	98,094
Net assets		787,376	772,532
Capital and reserves			
Share capital	25	30,551	30,551
Reserves		760,185	741,125
Equity attributable to owners of the Company		790,736	771,676
Non-controlling interests		(3,360)	856
Total equity		787,376	772,532

The consolidated financial statements on pages 79 to 152 were approved and authorised for issue by the Board of Directors on 29 September 2025 and signed on its behalf by:

Wu Zhanming
Director

Wu Tao
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Attributable to owners of the Company									
	Reserves									Total HK\$'000
	Share capital HK\$'000 (Note 26(a))	Share premium HK\$'000 (Note 26(b))	Investment revaluation reserve (non- recycling) HK\$'000 (Note 26(b))	Capital redemption reserve HK\$'000 (Note 26(c))	Capital reserve HK\$'000 (Note 26(d))	Translation reserve HK\$'000 (Note 26(e))	Accumulated profits HK\$'000	Total reserves HK\$'000	Non- controlling interests HK\$'000	
At 1 July 2024	30,551	437,801	(476)	11,931	204,610	(38,665)	125,924	741,125	856	772,532
Profit for the year	-	-	-	-	-	-	9,046	9,046	(1,921)	7,125
Other comprehensive income										
Item that may be reclassified subsequently to profit or loss										
Exchange differences arising on translation of foreign operations	-	-	-	-	-	7,719	-	7,719	-	7,719
Total other comprehensive income for the year	-	-	-	-	-	7,719	-	7,719	-	7,719
Total comprehensive incomes for the year	-	-	-	-	-	7,719	9,046	16,765	(1,921)	14,844
Transactions with owners:										
Contributions and distributions										
Changes in ownership interests in subsidiaries that do not result in a loss of control (note)	-	-	-	-	-	-	2,295	2,295	(2,295)	-
At 30 June 2025	30,551	437,801	(476)	11,931	204,610	(30,946)	137,265	760,185	(3,360)	787,376

Note:

On 13 June 2024, Novautek Autonomous Driving Limited ("Novautek Autonomous") allotted and issued 20,000,000 shares of Novautek Autonomous. During the year ended 30 June 2025, the allotment was completed and Dragon Bell Group Limited, a wholly-owned subsidiary of the Company, had paid the cash consideration of HK\$20,000,000 to subscribe the shares. Upon completion of the allotment, the Company's equity interest in Novautek Autonomous increased from 51% to 84% as a result of the change in its ownership interests. The results and financial position of Novautek Autonomous and its subsidiaries (the "Novautek Autonomous Group") have been included in the consolidated financial statements. Accordingly, the decrease in carrying amount of the non-controlling interests in the Novautek Autonomous Group of approximately HK\$2,295,000 was recognised directly in equity of the Group.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2025

	Attributable to owners of the Company								
	Reserves							Non-controlling interests	Total
	Share capital	Share premium	Investment revaluation reserve (non-recycling)	Capital redemption reserve	Capital reserve	Translation reserve	Accumulated profits	Total reserves	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Note 26(a))	(Note 26(b))	(Note 26(b))	(Note 26(c))	(Note 26(d))	(Note 26(e))			
At 1 July 2023	25,051	406,743	(453)	11,931	204,610	(26,949)	176,531	772,413	802,147
Loss for the year	-	-	-	-	-	-	(50,607)	(50,607)	(54,434)
Other comprehensive loss									
<i>Item that may be reclassified subsequently to profit or loss</i>									
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(11,716)	-	(11,716)	(11,716)
<i>Item that will not be reclassified to profit or loss</i>									
Change in fair value of Designated FVOCI	-	-	(23)	-	-	-	-	(23)	(23)
Total other comprehensive loss for the year	-	-	(23)	-	-	(11,716)	-	(11,739)	(11,739)
Total comprehensive loss for the year	-	-	(23)	-	-	(11,716)	(50,607)	(62,346)	(66,173)
Transactions with owners:									
<i>Contributions and distributions</i>									
Issue of new shares	5,500	31,058	-	-	-	-	-	31,058	36,558
At 30 June 2024	30,551	437,801	(476)	11,931	204,610	(38,665)	125,924	741,125	772,532

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

OPERATING ACTIVITIES

	2025 HK\$'000	2024 HK\$'000
Profit (Loss) before taxation	46,943	(48,215)
Adjustments for:		
Depreciation of property, plant and equipment	3,027	2,411
Finance costs	7,870	10,098
Impairment loss on property, plant and equipment	11,889	–
Interest income	(60)	(382)
Interest income from financial assets at FVPL	–	(450)
Dividend income from financial assets at FVPL	(779)	(5,998)
Net gain on disposal of financial assets at FVPL	(15,093)	(738)
Net decrease in fair value of financial assets at FVPL	19,920	14,636
Net increase in fair value of investment properties	(74,522)	(26,243)
(Reversal of) Provision for a legal claim	(14,569)	43,031
Write-off of property, plant and equipment	9	18
Operating cash flows before changes in working capital	(15,365)	(11,832)
Changes in working capital:		
Properties held for sales	24,691	37,364
Inventories	(3,256)	(960)
Other receivables	(5,860)	8,867
Restricted bank deposits	(214)	(864)
Accounts and other payables	(26,008)	(29,588)
Net cash (used in) from operations	(26,012)	2,987
Interest paid	(8,707)	(9,893)
Tax paid	(137)	(51)
Net cash used in operating activities	(34,856)	(6,957)
INVESTING ACTIVITIES		
Dividend received	779	5,998
Interest received	60	351
Purchase of property, plant and equipment	(4,882)	(85)
Proceeds from disposal of financial assets at FVPL	79,608	8,880
Net cash from investing activities	75,565	15,144

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2025

	Notes	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES			
Net proceeds from new shares issued		–	36,558
New other borrowings raised	28	3,279	–
Repayment of bank and other borrowings	28	(25,219)	(10,000)
Net cash (used in) from financing activities		(21,940)	26,558
Net increase in cash and cash equivalents		18,769	34,745
Cash and cash equivalents at the beginning of the reporting period		47,671	20,609
Effect on exchange rate changes		3,758	(7,683)
Cash and cash equivalents at the end of the reporting period	21	70,198	47,671



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. GENERAL

Novautek Technologies Group Limited (the “Company”) (formerly known as *Applied Development Holdings Limited*) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of its registered office and the principal place of business are disclosed in the section headed “Corporate Information” in the 2025 annual report of the Company.

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

The Company acts as an investment holding company. The Company and its subsidiaries (collectively the “Group”) are principally engaged in property development, property investment, investment holding and artificial intelligence (“AI”) robots. The activities of the principal subsidiaries of the Company are set out in note 31(a) to the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

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

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

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2024 consolidated financial statements except for the adoption of the following new / revised HKFRS Accounting Standards that are relevant to the Group and effective from the current year.

ADOPTION OF NEW / REVISED HKFRS ACCOUNTING STANDARDS

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

ADOPTION OF NEW / REVISED HKFRS ACCOUNTING STANDARDS *(continued)*

Amendments to HKAS 1: Non-current Liabilities with Covenants

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on recognition, give rise to equal taxable and deductible temporary differences.

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

Amendments to HK Interpretation 5: Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

This Interpretation is revised as a consequence of the above Amendments to HKAS 1 to align the corresponding wordings with no change in conclusion.

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

Amendments to HKAS 7 and HKFRS 7: Supplier Finance Arrangements

The amendment is a transition option relating to comparative information about financial assets presented on initial application of HKFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements.

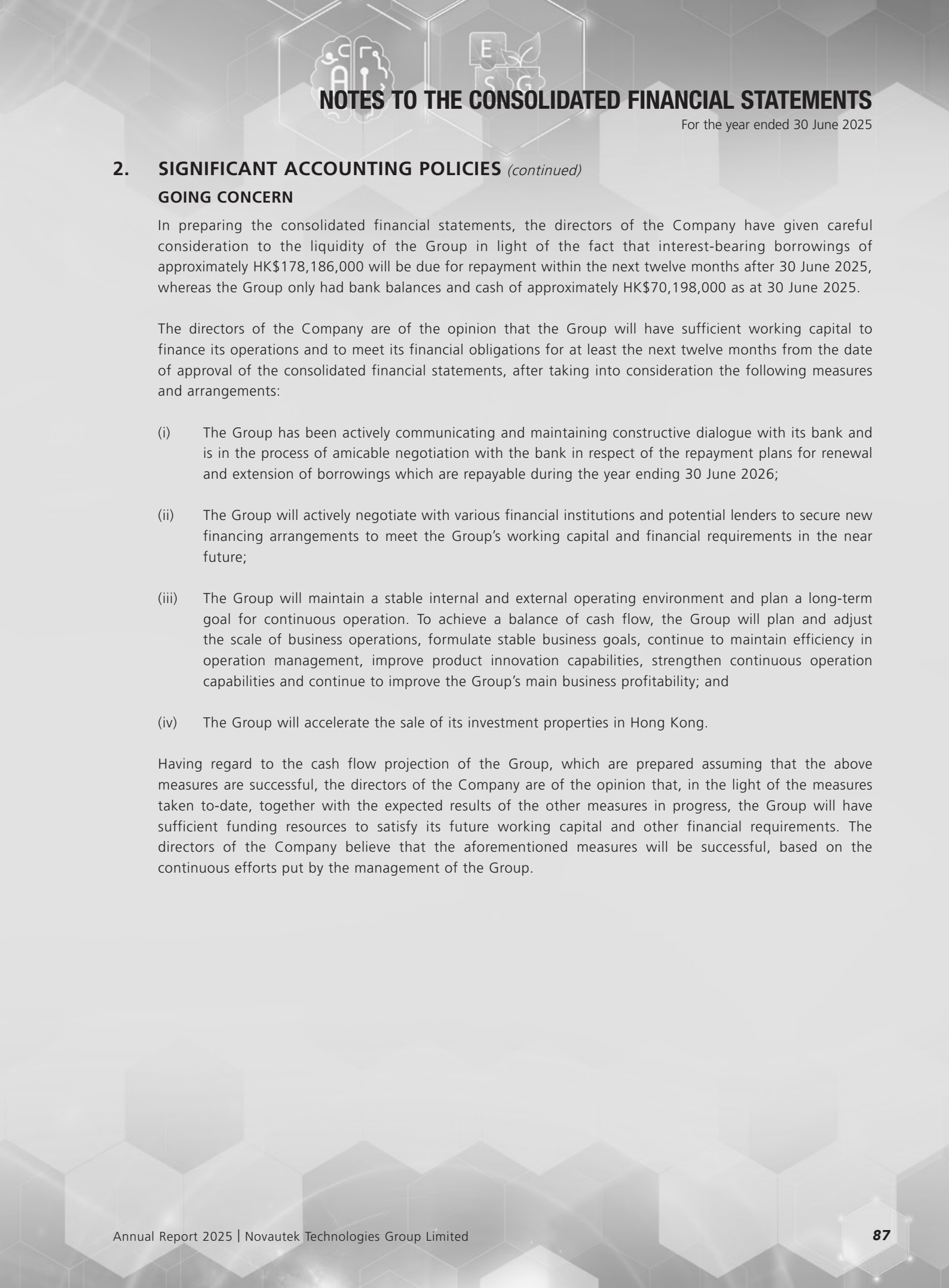
The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: Lease Liability in a Sale and Leaseback

The amendments require a seller-lessee to subsequently determine lease payments arising from a sale and leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

GOING CONCERN

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the liquidity of the Group in light of the fact that interest-bearing borrowings of approximately HK\$178,186,000 will be due for repayment within the next twelve months after 30 June 2025, whereas the Group only had bank balances and cash of approximately HK\$70,198,000 as at 30 June 2025.

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

- (i) The Group has been actively communicating and maintaining constructive dialogue with its bank and is in the process of amicable negotiation with the bank in respect of the repayment plans for renewal and extension of borrowings which are repayable during the year ending 30 June 2026;
- (ii) The Group will actively negotiate with various financial institutions and potential lenders to secure new financing arrangements to meet the Group's working capital and financial requirements in the near future;
- (iii) The Group will maintain a stable internal and external operating environment and plan a long-term goal for continuous operation. To achieve a balance of cash flow, the Group will plan and adjust the scale of business operations, formulate stable business goals, continue to maintain efficiency in operation management, improve product innovation capabilities, strengthen continuous operation capabilities and continue to improve the Group's main business profitability; and
- (iv) The Group will accelerate the sale of its investment properties in Hong Kong.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

BASIS OF MEASUREMENT

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

BASIS OF CONSOLIDATION

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

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

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

Allocation of total comprehensive income

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

Changes in ownership interest

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

SUBSIDIARIES

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

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

INVESTMENT PROPERTIES

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

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

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

PROPERTY, PLANT AND EQUIPMENT

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

PROPERTY, PLANT AND EQUIPMENT *(continued)*

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

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

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

INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost, which comprises all costs of purchase and, where applicable, other costs that have been incurred in bringing the inventories to their present location and condition, is calculated using the first in, first out method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

PROPERTIES HELD FOR SALES

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

NON-CURRENT ASSETS HELD FOR SALES

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

RESEARCH AND DEVELOPMENT COSTS

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

FINANCIAL INSTRUMENTS

Financial assets

Recognition and derecognition

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

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

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

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

Classification and measurement

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Classification and measurement (continued)

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

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

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

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

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

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

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

The Group's Designated FVOCI include listed equity securities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

Financial assets *(continued)*

Classification and measurement (continued)

3) Financial assets at FVPL

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

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

- (a) acquired principally for the purpose of selling it in the near term;
- (b) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking on initial recognition; or
- (c) a derivative that is not a financial guarantee contract or not a designated and effective hedging instrument.

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

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

Financial liabilities

Recognition and derecognition

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

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

Classification and measurement

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

Impairment of financial assets and other items

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

Measurement of ECL

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

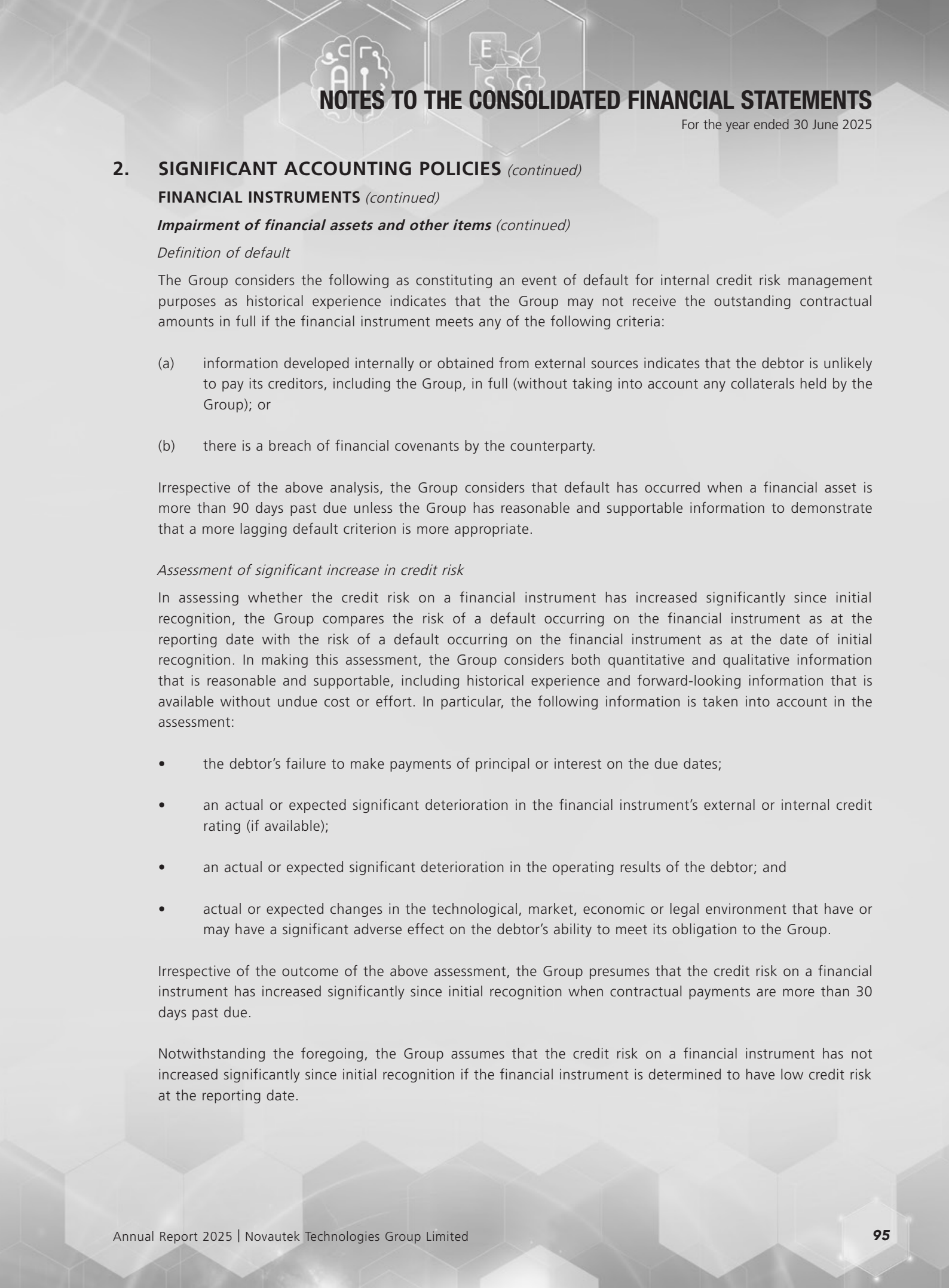
For financial assets, a credit loss is the present value of the difference between the contractual cash flows that are due to an entity under the contract and the cash flows that the entity expects to receive.

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

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

- (a) past due information
- (b) nature of instrument
- (c) nature of collateral
- (d) industry of debtors
- (e) geographical location of debtors

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

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

Definition of default

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

- (a) information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group); or
- (b) there is a breach of financial covenants by the counterparty.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Assessment of significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. In particular, the following information is taken into account in the assessment:

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FINANCIAL INSTRUMENTS *(continued)*

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

Low credit risk

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

- (a) it has a low risk of default;
- (b) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (c) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Simplified approach of ECL

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

Credit-impaired financial asset

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

- (a) significant financial difficulty of the issuer or the borrower.
- (b) a breach of contract, such as a default or past due event.
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.
- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Write-off

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CASH EQUIVALENTS

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

Revenue recognition

Rental income

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

Dividend income

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

Interest income

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

Revenue from contracts with customers within HKFRS 15

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CASH EQUIVALENTS *(continued)*

Revenue recognition (continued)

Revenue from contracts with customers within HKFRS 15 (continued)

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

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

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

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

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

CONTRACT LIABILITIES

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

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

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FOREIGN CURRENCY TRANSLATION

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

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

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

- Assets and liabilities for each statement of financial position presented and fair value adjustments on the carrying amounts of assets and liabilities arising on an acquisition of a foreign operation which are to be treated as assets and liabilities of that foreign operation, are translated at the closing rate at the end of the reporting period.
- Income and expenses for each statement of comprehensive income are translated at average exchange rate.
- All resulting exchange differences arising from the above translation and exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised as a separate component of equity.
- On the disposal of a foreign operation, which includes a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, the cumulative amount of the exchange differences relating to the foreign operation that is recognised in other comprehensive income and accumulated in the separate component of equity is reclassified from equity to profit or loss when the gain or loss on disposal is recognised.
- On the partial disposal of the Group's interest in a subsidiary that includes a foreign operation which does not result in the Group losing control over the subsidiary, the proportionate share of the cumulative amount of the exchange differences recognised in the separate component of equity is re-attributed to the non-controlling interests in that foreign operation and are not reclassified to profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

IMPAIRMENT OF OTHER ASSETS

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

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

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

BORROWINGS COSTS

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

EMPLOYEE BENEFITS

Short-term employee benefits

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

Retirement benefit schemes

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

Details of the retirement benefit schemes are set out in note 32 to the consolidated financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

LEASES

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

As lessor

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

As lessor – operating lease

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

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

TAXATION

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

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

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

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

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

For the purpose of measuring deferred tax assets or liabilities for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

SEGMENT REPORTING

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Key sources of estimation uncertainty

Revenue recognition from sale of properties at a point in time

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

Valuation of investment properties

The Group's investment properties are stated at fair value based on the valuation carried out by an independent professional valuer on an open market basis by the direct comparison approach and income approach assuming sale with the benefit of vacant possession and / or by making reference to comparable sale evidence as available in the relevant market or capitalisation of rental income and reversionary income potential.

In determining the fair value of investment properties, the valuer has based on a method of valuation which involves, inter alia, sales price of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age. In relying on the valuation report, management has exercised its judgement and is satisfied that the method of valuation is reflective of the current market conditions as at the end of the reporting period. Particulars of the investment properties of the Group are set out in note 14 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Key sources of estimation uncertainty *(continued)*

Loss allowance for ECL

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

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

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

The Group estimates property construction costs upon recognition of the respective cost of sales. Such estimates are substantiated by detailed budgetary information as developed by the management, and will be reassessed periodically, as the constructions progress. Should these estimates depart from their actual finalised costs, such differences would affect the accuracy of cost of sales recognised.

The Group considers information from a variety of sources, including recent prices of similar properties in the same location and condition, with adjustments to reflect any changes in economic conditions since the dates of transactions that occurred at those prices and internal estimates such as future selling prices. The Group has also engaged an independent professional valuer to assess the NRV of the PHS. Particulars of the PHS of the Group are set out in note 19 to the consolidated financial statements.

Fair value measurements and valuation processes

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

Information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of various financial assets and liabilities is disclosed in notes 3, 16 and 17 to the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

FUTURE CHANGES IN HKFRS ACCOUNTING STANDARDS

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

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

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

⁴ The effective date to be determined

The directors of the Company are in the process of assessing the possible impact on the future adoption of these new / revised HKFRS Accounting Standards, but are not yet in a position to reasonably estimate their impact on the consolidated financial statements.

3. FINANCIAL INSTRUMENTS

(a) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Market risk

Foreign currency risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Market risk *(continued)*

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's secured bank borrowings with floating interest rates as at the end of the reporting period. The interest rates and terms of repayment have been disclosed in note 24(a) to the consolidated financial statements. The Group currently does not have a policy to hedge against the interest rate risk as the management does not expect any significant interest rate risk as at the end of the reporting period.

At the end of the reporting period, if interest rates had been 435 (2024: 100) basis points higher / lower and all other variables were held constant, the Group's net profit would decrease / increase by approximately HK\$6,065,000 (2024: *net loss would increase / decrease by approximately HK\$1,605,000*), but there would be no impact on the other equity reserves.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for the secured bank borrowings in existence at that date. The 435 (2024: 100) basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period.

Price risk

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

The sensitivity analysis has been determined based on the exposure to equity price risk. At the end of the reporting period, if the market price had been 35% (2024: 10%) higher / lower while all other variables were held constant, the Group's net profit would increase / decrease by approximately HK\$6,086,000 (2024: *net loss would decrease / increase by approximately HK\$4,345,000*) due to change in the fair value of investments. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual end of the reporting period. The analysis is performed on the same basis for 2024.

Credit risk

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

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

The header features two hexagonal icons. The left icon contains the letters 'AI' and a brain-like circuit pattern. The right icon contains the letters 'ESG' and a leaf-like pattern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk *(continued)*

Credit risk arising from other receivables

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

At the end of the reporting period, the Group had a concentration risk as 81% (2024: 92%) and 88% (2024: 99%) of the total other receivables were made up by the Group's largest debtor and the five (2024: five) largest debtors' outstanding balances respectively.

In estimating the ECL and in determining whether there is a significant increase in credit risk since initial recognition and whether the financial asset is credit-impaired, the Group has taken into account the historical actual credit loss experience for the debtors and the financial position of the counterparties by reference to, among others, their management or audited accounts, legal advice of claims from counterparty and available press information, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case. No impairment losses have been provided for the years ended 30 June 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk *(continued)*

Credit risk arising from other receivables (continued)

Internal credit rating	Gross carrying amount	ECL	Loss allowance	Net carrying amount
	HK\$'000		HK\$'000	HK\$'000
At 30 June 2025				
Performing <i>(Note (i))</i>	24,062	12-month	–	24,062
Underperforming <i>(Note (ii))</i>	–	Lifetime	–	–
Not performing <i>(Note (iii))</i>	4,800	Lifetime	4,800	–
	28,862		4,800	24,062
At 30 June 2024				
Performing <i>(Note (i))</i>	23,874	12-month	–	23,874
Underperforming <i>(Note (ii))</i>	–	Lifetime	–	–
Not performing <i>(Note (iii))</i>	4,832	Lifetime	4,832	–
	28,706		4,832	23,874

Notes:

- (i) Performing (Normal credit quality) refers to other receivables that have not had a significant increase in credit risk and ECL in the next 12 months are recognised.
- (ii) Underperforming (Significant increase in credit risk) refers to other receivables that have had a significant increase in credit risk and for which the lifetime ECL are recognised.
- (iii) Not performing (Credit-impaired) refers to other receivables that have objective evidence of impairment and for which the lifetime ECL are recognised.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk *(continued)*

Credit risk arising from other receivables (continued)

As at 30 June 2025, the Group recognised loss allowances of HK\$4,800,000 (2024: HK\$4,832,000) on its other receivables. The movements in the loss allowances for other receivables during the year are summarised below.

	12-month ECL	Lifetime ECL		Total
	Performing HK\$'000	Under performing HK\$'000	Not performing HK\$'000	HK\$'000
At 30 June 2025				
At the beginning of the reporting period	–	–	4,832	4,832
Exchange realignment	–	–	(32)	(32)
At the end of the reporting period	–	–	4,800	4,800
At 30 June 2024				
At the beginning of the reporting period	–	–	4,917	4,917
Exchange realignment	–	–	(85)	(85)
At the end of the reporting period	–	–	4,832	4,832

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk (continued)

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

Substantially all the Group's restricted bank deposits and cash and cash equivalents were deposited in creditworthy global banks and state-controlled financial institutions in the People's Republic of China (the "PRC"). Management considers that these counterparties have insignificant credit risks.

Credit risk arising from loans and interest receivables

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

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

The Group has established a loan credit risk classification system and performs credit risk management based on loan classification in one of the three categories of internal credit rating. The information about the ECL for loans and interest receivables as at 30 June 2025 is summarised below. No impairment loss (*Note 20(b)*) was recognised in profit or loss during the years ended 30 June 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Credit risk *(continued)*

Credit risk arising from loans and interest receivables (continued)

Internal credit rating	Gross carrying amount	ECL	Loss allowances	Net carrying amount
	HK\$'000		HK\$'000	HK\$'000
At 30 June 2025				
Performing <i>(Note (i))</i>	–	12-month	–	–
Underperforming <i>(Note (ii))</i>	–	Lifetime	–	–
Not performing <i>(Note (iii))</i>	19,394	Lifetime	19,394	–
	19,394		19,394	–
At 30 June 2024				
Performing <i>(Note (i))</i>	–	12-month	–	–
Underperforming <i>(Note (ii))</i>	–	Lifetime	–	–
Not performing <i>(Note (iii))</i>	19,394	Lifetime	19,394	–
	19,394		19,394	–

Notes:

- (i) Performing (Normal credit quality) refers to loans that have not had a significant increase in credit risk and ECL in the next 12 months are recognised.
- (ii) Underperforming (Significant increase in credit risk) refers to loans that have had a significant increase in credit risk and for which the lifetime ECL are recognised.
- (iii) Not performing (Credit-impaired) refers to loans that have objective evidence of impairment and for which the lifetime ECL are recognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Liquidity risk

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

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

	On demand or less than 1 year HK\$'000	Total contractual undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
At 30 June 2025			
Accounts and other payables	123,153	123,153	123,153
Interest-bearing borrowings	178,186	178,186	178,186
	301,339	301,339	301,339
At 30 June 2024			
Accounts and other payables	139,094	139,094	139,094
Interest-bearing borrowings	199,987	199,987	199,987
	339,081	339,081	339,081

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

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

Liquidity risk *(continued)*

The amounts repayable under a loan agreement that includes a clause that gives the lender the unconditional right to call the loan at any time are classified under the “on demand or less than 1 year” bracket. In this regard, interest-bearing borrowings of HK\$nil (2024: HK\$151,752,000) as at the end of the financial period have been so classified even though the directors do not expect that the lender would exercise its rights to demand repayment and thus these borrowings would be repaid according to the following schedule as set out in the loan agreement:

	2025 HK\$'000	2024 HK\$'000
Interest-bearing borrowings		
Within 1 year	178,186	48,235
Over 1 year but within 2 years	–	151,752
At the end of the reporting period	178,186	199,987

(b) FAIR VALUE MEASUREMENTS

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS (continued)

(b) FAIR VALUE MEASUREMENTS (continued)

(i) Financial assets measured at fair value

At 30 June 2025

Designated FVOCI:

Listed in Hong Kong

– equity securities

Notes	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
16	96	96	–	–

Financial assets at FVPL:

Unlisted investment funds

17(a)	17,962	–	3,090	14,872
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Listed equity securities

– Hong Kong

17(b)	19,584	19,584	–	–
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– The PRC

17(b)	709	709	–	–
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– Overseas

17(b)	531	531	–	–
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Listed debt instruments

– Hong Kong

17(c)	1,152	1,152	–	–
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– Overseas

17(c)	471	471	–	–
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	40,409	22,447	3,090	14,872
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At 30 June 2024

Designated FVOCI:

Listed in Hong Kong

– equity securities

16	96	96	–	–
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Financial assets at FVPL:

Unlisted investment funds

17(a)	71,724	–	–	71,724
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Listed equity securities

– Hong Kong

17(b)	49,528	49,528	–	–
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– The PRC

17(b)	1,970	1,970	–	–
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– Overseas

17(b)	536	536	–	–
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Listed debt instruments

– Hong Kong

17(c)	667	667	–	–
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– Overseas

17(c)	419	419	–	–
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	124,844	53,120	–	71,724
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS (continued)

(b) FAIR VALUE MEASUREMENTS (continued)

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

The details of the movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 30 June 2025 and 2024 are as follows:

Movements in Level 3 fair value measurements

	Financial assets at FVPL	
	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period	71,724	92,500
Transfer to Level 2	(3,090)	–
Proceeds from disposal of financial assets at FVPL	(68,797)	–
Recognised in profit or loss:		
Gain on disposal of financial assets at FVPL	13,165	–
Increase (Decrease) in fair value of financial assets at FVPL (*)	1,870	(20,776)
At the end of the reporting period	14,872	71,724

* The fair value gain of approximately HK\$1,870,000 (2024: loss of HK\$20,776,000) on financial assets at FVPL included in unrealised gain (2024: loss) recognised in profit or loss was attributable to balances held at the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS (continued)

(b) FAIR VALUE MEASUREMENTS (continued)

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

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

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

Description	Fair value at 30 June	Valuation techniques	Unobservable inputs	Sensitivity of fair value to changes in unobservable inputs
	2025 HK\$'000	2024 HK\$'000		
Financial assets at FVPL				
Unlisted investment funds				
– Other unlisted investment funds	6,326 (Note)	10,491	Trending analysis	Market capitalisation / Market indices
				If the market capitalisation / market indices increased / decreased by 10% (2024: 10%), the fair value of the unlisted investment funds would increase / decrease by HK\$633,000 (2024: HK\$2,145,000).
	n/a	47,065	Backsolve method under market approach	Equity value
				If the equity value increased / decreased by 10%, the fair value of the unlisted investment funds would increase / decrease by HK\$3,440,000 as at 30 June 2024.
	n/a (Note)	7,083	Average-strike put option model under market approach	Lack of marketability discount
				If the lack of marketability discount increased / decreased by 5%, the fair value of the unlisted investment funds would decrease / increase by HK\$374,000 as at 30 June 2024.
– Green Asia Funds (as defined in note 17(a))	8,546	7,085	Net asset value at the end of reporting period	Recovery rate of underlying financial assets
				If the recovery rate increased / decreased by 5% (2024: 5%), the fair value of Green Asia Funds would increase / decrease by HK\$427,000 (2024: HK\$354,000)

Note:

The valuation technique of the unlisted investment funds of approximately HK\$3,090,000 (2024: approximately HK\$4,173,000 and HK\$7,083,000) has been changed from trending analysis and average-strike put option model under market approach as of 30 June 2024 (categorised as Level 3) to net asset value (categorised as Level 2) as the management considers that market price of the underlying assets, which is assumed to be conducted at arm's length basis, would be more appropriate to derive out the fair value of the unlisted investment funds by using the market approach.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS *(continued)*

(b) FAIR VALUE MEASUREMENTS *(continued)*

(ii) *Investment properties measured at fair value*

	Notes	Total HK\$'000	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000
At 30 June 2025					
Investment properties	14	855,815	–	–	855,815
At 30 June 2024					
Investment properties	14	407,624	–	–	407,624

As mentioned in note 14 to the consolidated financial statements, the Group has engaged independent professional valuers to assess the fair value of its investment properties at the end of the reporting period. In measuring the fair value of the investment properties located in Hong Kong and the PRC as at 30 June 2025, the direct comparison approach and income approach had been adopted respectively, which was consistent with the approach adopted in 2024. During the years ended 30 June 2025 and 2024, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

During the year ended 30 June 2025, properties held for sales with carrying value of approximately HK\$452,164,000 (2024: HK\$100,741,000) were transferred to investment properties which were categorised as Level 3 fair value measurements. In addition, investment properties with carrying value of approximately HK\$82,800,000 (2024: HK\$nil) were transferred to non-current assets classified as held for sales.

The movements of the fair value measurements categorised as Level 3 of the fair value hierarchy during the years ended 30 June 2025 and 2024 are as follows:

Movements in Level 3 fair value measurements

	Investment properties	
	2025	2024
	HK\$'000	HK\$'000
At the beginning of the reporting period	407,624	280,900
Transfer from properties held for sales (note 19)	452,164	100,741
Transfer to non-current assets classified as held for sales (note 22)	(82,800)	–
Increase in fair value	74,522	26,243
Exchange difference	4,305	(260)
At the end of the reporting period	855,815	407,624

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS (continued)

(b) FAIR VALUE MEASUREMENTS (continued)

(ii) Investment properties measured at fair value (continued)

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

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

Description	Fair value at 30 June		Valuation techniques	Unobservable inputs	Sensitivity of fair value to changes in unobservable inputs
	2025 HK\$'000	2024 HK\$'000			
Investment properties at fair value					
Investment properties located in Hong Kong	121,900	266,400	Direct comparison approach	Market unit rate between HK\$21,000/sq.ft. to HK\$32,000/sq.ft. (2024: HK\$23,000/sq.ft. to HK\$36,000/sq.ft.)	If the market unit rate increased / decreased, the fair value of investment properties would increase / decrease.
Investment properties located in the PRC	733,915	141,224	Income approach	Market yields between 5.25% to 5.5% (2024: 4.6% to 4.85%)	If the market yields increased / decreased, the fair value of investment properties would decrease / increase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

3. FINANCIAL INSTRUMENTS (continued)

(b) FAIR VALUE MEASUREMENTS (continued)

(iii) Financial assets and liabilities not measured at fair value

The carrying amounts of the financial assets and liabilities of the Group carried at amounts other than fair values are not materially different from their fair values at the end of the reporting period.

The carrying amounts of each of the following categories of financial assets and financial liabilities are set out as follows:

	2025 HK\$'000	2024 HK\$'000
<i>Financial assets measured at amortised cost:</i>		
Other receivables (excluding prepayments)	27,715	24,144
Restricted bank deposits	22,888	22,275
Cash and cash equivalents	70,198	47,671
	120,801	94,090
<i>Financial liabilities measured at amortised cost:</i>		
Accounts and other payables (excluding deposits received, contract liabilities and provision for a legal claim)	123,153	139,094
Interest-bearing borrowings	178,186	199,987
	301,339	339,081

4. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure, to reduce the cost of capital and to support the Group's stability and growth.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or return capital to shareholders. No changes were made in the objectives, policies or processes during the years ended 30 June 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

5. REVENUE

Revenue

Revenue from contracts with customers within HKFRS 15:

Sale of properties in the PRC, at a point in time and at fixed price

Sale of AI robots and products, at a point in time

and at fixed price

Management fee income from investment properties, over time

and at fixed price

Revenue from other sources:

Gross rental income from investment properties

Gross rental income from property, plant and equipment

Interest income from financial assets at FVPL

Dividend income from financial assets at FVPL

Other revenue

Bank interest income

Other interest income

	2025 HK\$'000	2024 HK\$'000
	19,794	27,885
	351	–
	542	495
	20,687	28,380
	11,271	6,121
	1,058	108
	–	450
	779	5,998
	13,108	12,677
	33,795	41,057
	58	380
	2	2
	60	382
	33,855	41,439

6. OTHER INCOME

Management fee income

Reversal of provision for a legal claim

Sundry income

Note

23(c)

	2025 HK\$'000	2024 HK\$'000
	1,627	1,416
	14,569	–
	184	1,043
	16,380	2,459

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. SEGMENT INFORMATION

Management identifies operating segments based on internal reports that are regularly reviewed by the chief operating decision makers, who are the executive directors of the Company, for the purposes of allocating resources to segments and assessing their performance. The executive directors of the Company consider property development, property investment, investment holding and AI robots (*formerly known as autonomous driving*) are the Group's major operating segments. The property development segment includes properties held for sales during the year. The property investment segment includes mainly commercial properties that are held for capital appreciation or earning rental income. The investment holding segment includes holding of investment funds, equity securities, debt instruments and other assets. The AI robots segment includes sale, lease out and development of AI robots and products which provide cleaning, patrol, distribution and transportation services, etc. No operating segments have been aggregated.

Segment revenue and results for the year ended 30 June 2025 are presented below:

	Property development HK\$'000	Property investment HK\$'000	Investment holding HK\$'000	AI robots HK\$'000	Total HK\$'000
Revenue	19,794	11,813	779	1,409	33,795
Other revenue and income	14,783	1,337	30	–	16,150
	34,577	13,150	809	1,409	49,945
Results					
Segment results	13,543	79,168	(6,446)	(10,735)	75,530
Unallocated corporate income					290
Unallocated corporate expenses					(21,007)
Finance costs					(7,870)
Profit before taxation					46,943
Taxation					(39,818)
Profit for the year					7,125

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities as at 30 June 2025 and other segment information for the year ended 30 June 2025 are presented below:

	Property development HK\$'000	Property investment HK\$'000	Investment holding HK\$'000	AI robots HK\$'000	Segment total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Assets	141,415	941,564	119,425	11,540	1,213,944	55,092	1,269,036
Liabilities	(89,384)	(380,668)	(200)	(1,010)	(471,262)	(10,398)	(481,660)
Other segment information:							
Interest expenses on interest-bearing borrowings	-	-	-	-	-	(7,870)	(7,870)
Additions to property, plant and equipment	4,593	-	10	267	4,870	12	4,882
Depreciation of property, plant and equipment	(68)	-	(14)	(178)	(260)	(2,767)	(3,027)
Net gain on disposal of financial assets at FVPL	-	-	15,093	-	15,093	-	15,093
Net decrease in fair value of financial assets at FVPL	-	-	(19,920)	-	(19,920)	-	(19,920)
Net increase in fair value of investment properties	-	74,522	-	-	74,522	-	74,522
Reversal of provision for a legal claim	14,569	-	-	-	14,569	-	14,569
Impairment loss on property, plant and equipment	-	-	-	-	-	(11,889)	(11,889)
Write-off of property, plant and equipment	-	-	-	-	-	(9)	(9)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. SEGMENT INFORMATION *(continued)*

Segment revenue and results for the year ended 30 June 2024 are presented below:

	Property development HK\$'000	Property investment HK\$'000	Investment holding HK\$'000	AI robots HK\$'000	Total HK\$'000
Revenue	27,885	6,616	6,448	108	41,057
Other revenue and income	1,092	1,132	64	–	2,288
	<u>28,977</u>	<u>7,748</u>	<u>6,512</u>	<u>108</u>	<u>43,345</u>
Results					
Segment results	<u>(42,576)</u>	<u>28,999</u>	<u>(9,479)</u>	<u>(6,723)</u>	<u>(29,779)</u>
Unallocated corporate income					553
Unallocated corporate expenses					(8,891)
Finance costs					<u>(10,098)</u>
Loss before taxation					(48,215)
Taxation					<u>(6,219)</u>
Loss for the year					<u><u>(54,434)</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. SEGMENT INFORMATION *(continued)*

Segment assets and liabilities as at 30 June 2024 and other segment information for the year ended 30 June 2024 are presented below:

	Property development HK\$'000	Property investment HK\$'000	Investment holding HK\$'000	AI robots HK'000	Segment total HK\$'000	Unallocated HK\$'000	Total HK\$'000
Assets	607,973	411,035	165,464	3,079	1,187,551	86,122	1,273,673
Liabilities	(292,818)	(194,295)	(873)	(700)	(488,686)	(12,455)	(501,141)
Other segment information:							
Interest expenses on interest-bearing borrowings	–	–	–	–	–	(10,098)	(10,098)
Additions to property, plant and equipment	8	–	50	27	85	–	85
Depreciation of property, plant and equipment	(34)	–	(15)	(35)	(84)	(2,327)	(2,411)
Net gain on disposal of financial assets at FVPL	–	–	738	–	738	–	738
Net decrease in fair value of financial assets at FVPL	–	–	(14,636)	–	(14,636)	–	(14,636)
Net increase in fair value of investment properties	–	26,243	–	–	26,243	–	26,243
Provision for a legal claim	(43,031)	–	–	–	(43,031)	–	(43,031)
Write-off of property, plant and equipment	–	–	(18)	–	(18)	–	(18)

There was no revenue generated from inter-segment transactions for both years. Revenue from property development segment reported above represents sale of properties in the PRC to external customers. Revenue from the property investment segment and AI robots segment reported above represents rental income earned from and sale of AI robots and products to external customers. Segment results represent profit or loss attributable to each segment without allocation of corporate income, central administration expenses, finance costs and income tax expenses. Total assets and liabilities represent all assets and liabilities under each segment together with unallocated corporate assets and liabilities other than those that have been eliminated on consolidation.

All assets are allocated to the operating and reportable segments except for certain property and equipment of self-occupied properties, certain other receivables and certain cash and cash equivalents.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

7. SEGMENT INFORMATION *(continued)*

GEOGRAPHICAL INFORMATION

The Group's operations are principally located in Hong Kong, the PRC (other than Hong Kong), Middle East and Southeast Asia.

The following table provides an analysis of the Group's revenue from external customers by geographical market. For interest income from financial assets at FVPL, the analysis is based on the location of the markets of the respective investments.

	Revenue by geographical market	
	2025 HK\$'000	2024 HK\$'000
Hong Kong	7,265	11,349
The PRC	26,179	29,708
Middle East	180	–
Southeast Asia	171	–
	33,795	41,057

The following is an analysis of the carrying amounts of non-current assets by geographical area in which the assets are located:

	Carrying amounts of non-current assets	
	2025 HK\$'000	2024 HK\$'000
Hong Kong	174,911	332,688
The PRC	738,219	141,268
	913,130	473,956

Non-current assets presented above exclude financial assets. The Group does not have net deferred tax assets, post-employment benefit assets and rights arising under insurance contracts.

INFORMATION ABOUT MAJOR CUSTOMERS

Sale of properties in the PRC to an external customer contributed 22% of the revenue of the Group during the year ended 30 June 2025.

Dividend income from one of the unlisted investment funds classified as financial assets at FVPL contributed 14% of the revenue of the Group during the year ended 30 June 2024.

Other than the above, there were no external customers contributed 10% or more of the revenue of the Group during the years ended 30 June 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

8. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest expenses on bank and other borrowings	7,870	10,098

9. PROFIT (LOSS) BEFORE TAXATION

This is stated after charging (crediting):

	2025 HK\$'000	2024 HK\$'000
Staff costs, including directors' emoluments		
Salaries and other benefits	18,427	12,248
Retirement benefit scheme contributions	1,101	669
Total staff costs	19,528	12,917
Other items		
Auditor's remuneration		
– Audit service	920	920
– Non-audit related service	138	135
Cost of inventories	14,114	18,565
Depreciation of property, plant and equipment	3,027	2,411
Direct operating expenses relating to investment properties that did not generate rental income	318	151
Exchange loss (gain), net	177	(1)
(Reversal of) Provision for a legal claim* (<i>note 23(c)</i>)	(14,569)	43,031
Impairment loss on property, plant and equipment*	11,889	–
Write-off of property, plant and equipment	9	18

* The impairment loss on property, plant and equipment for the year ended 30 June 2025 and the provision for a legal claim for the year ended 30 June 2024 have been included in the "other expenses" line item in the consolidated statement of comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

10. TAXATION

Hong Kong Profits Tax has not been provided as the Group incurred a loss for tax purpose for both years.

The PRC Enterprise Income Tax ("EIT") in respect of operations in the PRC is calculated at a rate 25% (2024: 25%) on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof. For the years ended 30 June 2025 and 2024, EIT had not been provided as the Group incurred a loss for tax purposes.

The PRC Land Appreciation Tax ("LAT") is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including land costs, borrowing costs, business taxes and all property development expenditures. LAT is recognised as an income tax expense. LAT paid is a deductible expense for EIT purposes.

The net tax comprises:

Current year

LAT

Deferred taxation

Provision for temporary differences (*note 27*)

Tax expenses for the year

2025 HK\$'000	2024 HK\$'000
279	525
39,539	5,694
39,818	6,219

Reconciliation of tax expenses

Profit (Loss) before taxation

Income tax at application tax rate

Tax effect of expenses not deductible in determining taxable profit

Tax effect of income not taxable in determining taxable profit

Unrecognised tax losses

Utilisation of previously unrecognised tax losses

Unrecognised temporary differences

LAT

EIT effect of LAT

Others

Tax expenses for the year

2025 HK\$'000	2024 HK\$'000
46,943	(48,215)
14,890	(9,888)
17,799	18,777
(2,636)	(1,845)
7,218	931
(3,945)	(3,755)
5,366	1,605
279	525
(70)	(131)
917	—
39,818	6,219

The applicable tax rate is the weighted average of rates prevailing in the territories in which the Group entities operate.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(a) DIRECTORS' EMOLUMENTS

For the years ended 30 June 2025 and 2024, the emoluments paid or payable to directors were as follows:

	Year ended 30 June 2025								
	Wu Zhanming HK\$'000	Wu Tao HK\$'000	Zhu Xinhui HK\$'000 (Note iii)	Yu Tat Chi, Michael HK\$'000 (Note v)	Yang Ye HK\$'000 (Note ii)	Jiang Pengzhi HK\$'000 (Note ii)	Tsang Fung Chu HK\$'000 (Note iv)	Chan Kin Keung, Eugene HK\$'000 (Note i)	Total HK\$'000
Fees	240	240	49	119	192	192	121	240	1,393
Salaries and other benefits	1,032	752	-	-	-	-	-	-	1,784
Discretionary bonus	106	86	-	-	-	-	-	-	192
Retirement benefit scheme contributions	18	18	-	-	-	-	-	-	36
Total emoluments	1,396	1,096	49	119	192	192	121	240	3,405
	Year ended 30 June 2024								
	Wu Zhanming HK\$'000	Wu Tao HK\$'000	Zhu Xinhui HK\$'000 (Note iii)	Yu Tat Chi, Michael HK\$'000 (Note v)	Yang Ye HK\$'000 (Note ii)	Jiang Pengzhi HK\$'000 (Note ii)	Tsang Fung Chu HK\$'000 (Note iv)	Chan Kin Keung, Eugene HK\$'000 (Note i)	Total HK\$'000
Fees	240	240	240	240	-	-	-	240	1,200
Other emoluments									
Salaries and other benefits	1,032	726	-	-	-	-	-	-	1,758
Discretionary bonus	60	120	-	-	-	-	-	-	180
Retirement benefit scheme contributions	18	14	-	-	-	-	-	-	32
Total emoluments	1,350	1,100	240	240	-	-	-	240	3,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

11. DIRECTORS' AND EMPLOYEES' EMOLUMENTS *(continued)*

(a) DIRECTORS' EMOLUMENTS *(continued)*

Notes:

- (i) On 19 June 2024, Dr. Chan Kin Keung, Eugene was re-designated from independent non-executive director to non-executive director of the Company.
- (ii) On 13 September 2024, Mr. Jiang Pengzhi and Mr. Yang Ye were appointed as independent non-executive directors of the Company.
- (iii) On 13 September 2024, Mr. Zhu Xinhui resigned as an independent non-executive director of the Company.
- (iv) On 30 December 2024, Ms. Tsang Fung Chu was appointed as an independent non-executive director of the Company.
- (v) On 30 December 2024, Mr. Yu Tat Chi, Michael resigned as an independent non-executive director of the Company.

There was no arrangement under which a director waived or agreed to waive any remuneration for the years ended 30 June 2025 and 2024. In addition, no emoluments were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as a compensation for loss of office for the years ended 30 June 2025 and 2024.

(b) EMPLOYEES' EMOLUMENTS

The five highest paid individuals included one director (*2024: two directors*) of the Company, details of whose emoluments are set out in (a) above. The emoluments of the remaining four (*2024: three*) individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	4,871	3,139
Discretionary bonus	1,277	425
Retirement benefits scheme contributions	72	56
	6,220	3,620

The four (*2024: three*) highest paid individuals' remuneration falls within the following bands:

	Number of employees	
	2025	2024
Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	4	3

During the years ended 30 June 2025 and 2024, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join or upon joining the Group or as a compensation for loss of office. During the years ended 30 June 2025 and 2024, none of the highest paid individuals waived or agreed to waive any emoluments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

12. EARNINGS (LOSS) PER SHARE

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

	2025 HK\$'000	2024 HK\$'000
Profit (Loss) for the year attributable to owners of the Company, for the purposes of calculating basic earnings (loss) per share	9,046	(50,607)
	2025 No. of shares	2024 No. of shares
Weighted average number of ordinary shares for the purposes of calculating basic earnings (loss) per share	3,055,105,739	2,873,275,138

For the year ended 30 June 2025, diluted earnings (2024: loss) per share is the same as basic earnings (2024: loss) per share. The Company did not have any dilutive potential ordinary shares during the years ended 30 June 2025 and 2024.

13. DIVIDENDS

The Board does not recommend the payment of a dividend for the years ended 30 June 2025 and 2024.

14. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
Fair value		
At the beginning of the reporting period	407,624	280,900
Transfer from properties held for sales	452,164	100,741
Transfer to non-current assets classified as held for sales (note 22)	(82,800)	–
Increase in fair value, net	74,522	26,243
Exchange difference	4,305	(260)
At the end of the reporting period	855,815	407,624

Notes:

- During the year, properties held for sales were transferred to investment properties upon the commencement of operating leases entered with third parties. Upon the Group's decision to transform the whole commercial and car park properties located in the PRC into an AI robotics technology park, these properties previously classified as held for sale were also transferred to investment properties. Total carrying value of these properties as of the date of transfer amounted to approximately RMB413,728,000 (equivalent to approximately HK\$452,164,000) (2024: approximately RMB93,826,000 (equivalent to approximately HK\$100,741,000)).
- At the end of the reporting period, the Group's investment properties with a carrying value of HK\$121,900,000 (2024: HK\$266,400,000) were pledged to secure bank borrowings (note 24(a)) and bank facilities granted to the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

14. INVESTMENT PROPERTIES (continued)

Notes: (continued)

- (c) The investment properties held at the end of both reporting periods were valued by AVISTA Valuation Advisory Limited, an independent professional valuer. The valuation, which conforms to the Hong Kong Institute of Surveyors Valuation Standards on Properties, was conducted on an open market basis by the direct comparison approach assuming sale with the benefit of vacant possession or by making reference to comparable sale evidence as available in the relevant market, or by the income approach based on capitalisation of rental income and reversionary income potential. Sales prices of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the properties. The most significant input used in this valuation approach is price per square foot or market yields.

All the Group's property interests held under leases to earn rental or for capital appreciation purposes are measured using the fair value model and are classified as investment properties.

- (d) The remaining unexpired lease term of the Group's investment properties located in Hong Kong, with carrying value of HK\$121,900,000 (2024: HK\$266,400,000) is 34 (2024: 35) years.
- (e) The investment properties transferred from properties held for sales with carrying value of approximately HK\$733,915,000 (2024: HK\$141,224,000) are located in the PRC and held under lease term of 40 years from 2014 to 2053 (2024: 40 years from 2014 to 2053).

As at 30 June 2025, certain of these investment properties with carrying value of approximately RMB59,025,000 (equivalent to approximately HK\$64,508,000) (2024: RMB11,209,000 (equivalent to approximately HK\$12,035,000) of investment properties and approximately RMB23,352,000 (equivalent to approximately HK\$25,073,000) of properties held for sales) were frozen by the court in Wuxi, the PRC in relation to a litigation against the Group, as further detailed in note 23(c) to these consolidated financial statements.

In addition, as at 30 June 2025, certain of these investment properties with carrying amounts of approximately RMB73,999,000 (equivalent to approximately HK\$80,873,000) (2024: approximately RMB51,040,000 (equivalent to approximately HK\$54,802,000) of properties held for sales) were frozen by the court in Wuxi, the PRC in relation to a litigation against the Group, as further detailed in note 33 to these consolidated financial statements.

LEASING ARRANGEMENT – AS LESSOR

Certain investment properties are leased to tenants for a term ranging from 1 to 2 years. The leases provide the lessees with option to renew the leases upon expiry. Monthly rental charges consist of fixed payments. The tenants also bear the management fees.

The lease income from operating leases is disclosed in note 5 to the consolidated financial statements.

Properties under leases are subject to residual value risk. The lease contracts, as a result, include a provision based on which the Group's investment properties located in Hong Kong has the right to charge the tenants for any damages to the investment properties at the end of the leases. Besides, the Group has purchased insurance to protect it against any losses that may arise from accidents or physical damages of the properties.

Below is a maturity analysis of undiscounted lease payments to be received from the investment properties under operating leases.

	2025 HK\$'000	2024 HK\$'000
Year 1	7,163	8,392
Year 2	3,395	4,129
Year 3	1,506	904
Year 4	730	389
Year 5	420	125
After year 5	926	20
	14,140	13,959

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Machineries HK\$'000	Construction- in-progress HK\$'000	Motor Vehicles HK\$'000	Total HK\$'000
Cost							
At 1 July 2023	71,300	1,231	1,396	–	–	–	73,927
Additions	–	–	85	–	–	–	85
Transfer from inventories (note)	–	–	–	392	–	–	392
Write-off	–	–	(51)	–	–	–	(51)
Exchange realignment	–	–	(4)	–	–	–	(4)
At 30 June 2024 and 1 July 2024	71,300	1,231	1,426	392	–	–	74,349
Additions	–	3,569	409	–	617	287	4,882
Transfer from inventories (note)	–	–	–	970	–	–	970
Write-off	–	–	(28)	–	–	–	(28)
Exchange realignment	–	47	6	3	8	4	68
At 30 June 2025	71,300	4,847	1,813	1,365	625	291	80,241
Accumulated depreciation							
At 1 July 2023	4,670	410	562	–	–	–	5,642
Charge for the year	1,868	246	264	33	–	–	2,411
Write-off	–	–	(33)	–	–	–	(33)
Exchange realignment	–	–	(3)	–	–	–	(3)
At 30 June 2024 and 1 July 2024	6,538	656	790	33	–	–	8,017
Charge for the year	1,773	782	280	158	–	34	3,027
Write-off	–	–	(19)	–	–	–	(19)
Impairment	11,889	–	–	–	–	–	11,889
Exchange realignment	–	7	4	1	–	–	12
At 30 June 2025	20,200	1,445	1,055	192	–	34	22,926
Net carrying values							
At 30 June 2025	51,100	3,402	758	1,173	625	257	57,315
At 30 June 2024	64,762	575	636	359	–	–	66,332

Note:

During the year, the Group transferred inventories with carrying amount of HK\$970,000 (2024: HK\$392,000) (note 18) to machineries under property, plant and equipment upon commencement of operating leases entered with third parties. The machineries are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided to write off the cost less accumulated impairment losses of the machineries over their remaining useful life, using straight-line method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

15. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Note: *(continued)*

The directors have reviewed the carrying value of land and buildings and determined that the recoverable amounts from the use or sale of certain of these assets had significantly declined below their carrying amounts. Since the economic performance of land and buildings is worse than expected, the carrying value of these assets has been reduced by HK\$11,889,000 (2024: HK\$nil) to reflect this impairment loss. The recoverable amounts of these assets amounted to HK\$51,100,000 (2024: HK\$67,600,000), which are stated at fair value less costs of disposal and categorised as level 3 of the fair value hierarchy, are valued by AVISTA Valuation Advisory Limited, an independent professional valuer.

The valuation was conducted on an open market basis by the direct comparison approach assuming sale with the benefit of vacant possession or by making reference to comparable sale evidence as available in the relevant market. Sales prices of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the properties. The most significant input used in this valuation approach is price per square foot or market yields.

At the end of the reporting period, the Group's land and buildings with carrying value of HK\$51,100,000 (2024: HK\$64,762,000) were pledged to secure bank borrowings (note 24(a)) and bank facilities granted to the Group.

16. DESIGNATED FVOCI

	2025 HK\$'000	2024 HK\$'000
At fair value		
Listed equity securities – Hong Kong	96	96

The fair value of the listed equity securities is determined on the basis of quoted market price at the end of the reporting period.

17. FINANCIAL ASSETS AT FVPL

	Notes	2025 HK\$'000	2024 HK\$'000
Unlisted investment funds	(a)	17,962	71,724
Listed equity securities	(b)		
– Hong Kong		19,584	49,528
– The PRC		709	1,970
– Overseas		531	536
Listed debt instruments	(c)		
– Hong Kong		1,152	667
– Overseas		471	419
		40,409	124,844

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. FINANCIAL ASSETS AT FVPL (continued)

Notes:

(a) The unlisted investment funds mainly comprise:

- (i) At the end of the reporting period, the unlisted investment funds represented 100% Class A participating, redeemable, non-voting shares of Green Asia Restructure SP and 100% Class A participating, redeemable, non-voting shares of Green Asia Restructure SP II (the "Green Asia Funds") with carrying amount of approximately HK\$4,580,000 (2024: approximately HK\$3,835,000) and HK\$3,966,000 (2024: approximately HK\$3,250,000). The Green Asia Funds are segregated portfolios held by a third party of the Group, Green Asia Restructure Fund SPC, an exempted company incorporated in the Cayman Islands with limited liability ("Green Asia"), which was managed by a third party of the Group, Long Asia Asset Management Limited, a company incorporated in the Cayman Islands with limited liability.

Green Asia is registered as segregated portfolio company in the Cayman Islands. The investment objective of Green Asia is capital appreciation by investing in the business of originating, underwriting, acquiring and trading debt securities and loans in listed and unlisted corporate, which may be publicly traded or privately placed.

On 18 January 2022, the Group issued redemption notices to Green Asia to redeem 4,200 Class A shares of the Green Asia Funds with aggregate redemption proceeds of HK\$30,497,000. In view of the failure in settlement of the redemption proceeds by Green Asia, the Group had filed petitions to the Grand Court of the Cayman Islands (the "Grand Court") against Green Asia. Consequently, representatives from Deloitte Touche Tohmatsu and Deloitte & Touche LLP were appointed jointly and severally as receivers of the Green Asia Funds by the order from the Grand Court on 6 July 2022. HK\$19,445,000 (2024: HK\$21,918,000) of the redemption proceeds have been included and recognised as "other receivables" as at 30 June 2025.

At the end of the reporting period, the fair value of the Group's investments in Green Asia Funds amounted to approximately HK\$8,546,000 (2024: HK\$7,085,000), which was determined by the management with reference to the valuation report on Green Asia Funds issued by an independent professional valuer, APAC Appraisal and Consulting Limited, based on the net asset value of the Green Asia Funds at the end of the reporting period.

- (ii) As at 30 June 2024, included in the unlisted investment funds were 5,000,000 participating and non-voting shares of Jinshan Portfolio (the "Jinshan Portfolios") at a total subscription amount of US\$5,000,000, which represented approximately 16.67% of Jinshan Portfolios under Huangpu River Capital SPC (the "Huangpu River Fund").

The Huangpu River Fund is an exempted company incorporated with limited liability and registered as segregated portfolio company in the Cayman Islands. The investment objective of the Huangpu River Fund is capital appreciation by investing the series C preferred stock of Horizon Robotics, which is principally engaged in the provision of providing automotive solutions for passenger vehicles with proprietary software and hardware and also providing non-automotive solutions to enable device manufacturers to design and manufacture devices and appliances with enhanced levels of intelligence.

As at 30 June 2024, the fair value of the Group's investments in the Huangpu River Fund amounted to approximately HK\$47,065,000. During the year ended 30 June 2025, the Group had redeemed the Jinshan Portfolios, at a consideration of approximately US\$6,814,000 (equivalent to approximately HK\$52,809,000).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

17. FINANCIAL ASSETS AT FVPL *(continued)*

Notes: *(continued)*

(a) The unlisted investment funds mainly comprise: *(continued)*

- (iii) As at 30 June 2025 and 2024, included in the unlisted investment funds were 15,000 non-voting, non-redeemable and participating shares of Health Innovation Fund II SP (the "Health Innovation Fund") at a total subscription amount of US\$750,000, which represented approximately 0.78% of the Health Innovation Fund under CMBI Private Equity Series B SPC.

The Health Innovation Fund is an exempted company incorporated with limited liability and registered as segregated portfolio company in the Cayman Islands. The investment objective of the CMBI Private Equity Series B SPC is capital appreciation by investing in an array of equity, equity-related and debt investments that engaging in the healthcare industry.

As at 30 June 2025, the fair value of the Group's investments in the Health Innovation Fund amounted to approximately HK\$6,326,000 (2024: approximately HK\$6,318,000).

(b) The fair value of listed equity securities is mainly based on quoted market prices in active market in both years.

At the end of the reporting period, financial assets at FVPL with carrying amounts of approximately HK\$7,033,000 (2024: HK\$20,921,000) were pledged as collateral to the margin loan facilities granted to the Group, together with a corporate guarantee provided by the Company. No (2024: No) margin loan facilities were utilised and outstanding at the end of the reporting period.

(c) At the end of the reporting period, the Group held debt instruments listed in Hong Kong and overseas amounting to approximately HK\$1,152,000 (2024: approximately HK\$667,000) and HK\$471,000 (2024: approximately HK\$419,000) respectively, which bore fixed interest at 7.25% (2024: 7.25%) and 7.25% (2024: 7.25%) per annum respectively. The fair value of these debt instruments at the end of the reporting period was determined on the basis of quoted market price.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

18. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Finished goods	2,854	568

During the year, the Group transferred inventories with carrying amount of HK\$970,000 (2024: HK\$392,000) (note 15) to machineries under property, plant and equipment upon the commencement of operating leases entered with third parties.

19. PROPERTIES HELD FOR SALES

	2025 HK\$'000	2024 HK\$'000
Properties held for sales ("PHS")	105,125	578,836

All PHS are located in the PRC and held under lease term of 40 years from 2014 to 2053 (2024: 40 years from 2014 to 2053).

The net realisable value of PHS was determined by the management with reference to the valuation performed by AVISTA Valuation Advisory Limited. The valuation adopted the residual method, which is based on the completed gross development value after deducting the estimated costs necessary to make the sale.

During the year, PHS with carrying value of approximately RMB413,728,000 (equivalent to approximately HK\$452,164,000) (2024: RMB93,826,000 (equivalent to approximately HK\$100,741,000)) were transferred to investment properties.

As at 30 June 2024, certain PHS with carrying amounts of approximately RMB23,352,000 (equivalent to approximately HK\$25,073,000) were frozen by the court in Wuxi, the PRC in relation to a litigation against the Group, as further detailed in note 23(c) to these consolidated financial statements. These PHS were transferred to investment properties during the year.

In addition, as at 30 June 2024, certain PHS with carrying amounts of approximately RMB51,040,000 (equivalent to approximately HK\$54,802,000) were frozen by the court in Wuxi, the PRC in relation to a litigation against the Group, as further detailed in note 33 to these consolidated financial statements. These PHS were transferred to investment properties during the year.

At the end of the reporting period, RMB87,652,000 (equivalent to approximately HK\$95,795,000) (2024: RMB345,103,000 (equivalent to approximately HK\$370,538,000)) of the PHS were expected to be recovered after more than 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

20. OTHER RECEIVABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Loans and interest receivables	(a)	19,394	19,394
Loss allowances	(b)	(19,394)	(19,394)
		—	—
Rental receivables		536	468
Other receivables	(c)	28,326	28,238
Loss allowances	(b)	(4,800)	(4,832)
		24,062	23,874
Deposits and prepayments		7,474	1,553
		31,536	25,427

Notes:

- (a) As at the end of the reporting period, the loans with principal amount of HK\$19,394,000 (2024: HK\$19,394,000) granted to a third-party borrower, in which the spouse of Mr. Yuen Chi Ping, a former director of the Company, were unsecured and interest-bearing at 4% (2024: 4%) per annum. Pursuant to the extension arrangement dated 8 September 2021, the Group had agreed to extend the repayment date in the following manner: (i) HK\$3,000,000 on or before 31 January 2022, which had been repaid during the year ended 30 June 2022; and (ii) the remaining balance on or before 30 September 2022.

The principal amount and interest receivables of HK\$8,450,000 had been settled during the year ended 30 June 2023 and the remaining balance of HK\$19,394,000 was overdue. In view of the default in settlement of the remaining balance, the Group had filed petitions to the High Court of the Hong Kong Special Administrative Region in February 2023 for compulsory winding up of the borrower. On 20 September 2023, the court order to wind up the borrower was granted. On 24 January 2024, liquidators were appointed to handle the liquidation procedure.

- (b) Information about the Group's exposure to credit risks and loss allowances on loans and interest receivables and other receivables is included in note 3(a) to the consolidated financial statements.
- (c) Included in the other receivables are the redemption proceeds of HK\$19,445,000 (2024: HK\$21,918,000) as detailed in note 17(a) to the consolidated financial statements. The amounts of redemption proceeds were unsecured, interest-free and repayable on demand.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

21. RESTRICTED BANK DEPOSITS AND CASH AND CASH EQUIVALENTS

	Notes	2025 HK\$'000	2024 HK\$'000
Cash at banks and on hand	(a)	91,707	44,986
Cash at securities brokers	(b)	1,379	9,667
Non-pledged time deposits with original maturity of 3 months or less when acquired	(c)	–	15,293
		93,086	69,946
Less: Restricted bank deposits under			
– Designated bank account for construction of properties		(21,829)	(21,238)
– Other		(1,059)	(1,037)
	(d)	(22,888)	(22,275)
As per consolidated statements of financial position and cash flows		70,198	47,671

Notes:

- (a) Cash at banks and on hand comprise bank balances held by the Group that bear interest at prevailing market interest rates.
- (b) Cash at securities brokers comprise cash balances held by the Group that bear interest at prevailing market interest rates.
- (c) As at 30 June 2024, short-term time deposits were made between three months or less depending on the immediate cash requirement of the Group and earned interest at prevailing market rate ranging from 4% to 4.34% per annum.
- (d) As at 30 June 2025, bank deposits of approximately RMB20,942,000 (equivalent to HK\$22,888,000) (2024: approximately RMB20,746,000 (equivalent to HK\$22,275,000)), majority of which were kept in the designated bank account for construction of properties, were frozen by the court in Wuxi, the PRC in relation to claims against the Group, as further detailed in note 23(c) to these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

22. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALES

During the year ended 30 June 2025, the Group started to actively source buyers for the sale of certain investment properties held by the Group which are located in Hong Kong. Since the disposal transactions are expected to be completed within one year, these investment properties were classified as non-current assets held for sales as at 30 June 2025 as follows:

	2025 HK\$'000	2024 HK\$'000
Investment properties	82,800	—

During the year ended 30 June 2025, there was no gain or loss from the transfer of investment properties to non-current assets classified as held for sales.

23. ACCOUNTS AND OTHER PAYABLES

	Notes	2025 HK\$'000	2024 HK\$'000
Accounts payable			
To third parties	(a)	94,391	115,325
Other payables			
Accrued charges and other creditors		28,762	23,769
Deposits received		136	133
Contract liabilities	(b)	9,330	18,753
Provision for a legal claim	(c)	28,759	42,756
		66,987	85,411
		161,378	200,736

Notes:

- (a) The ageing analysis of accounts payable of the Group is presented based on recognition date at the end of the reporting period as follows:

	2025 HK\$'000	2024 HK\$'000
0-180 days	6,911	2,393
181-365 days	814	10,410
Over 365 days	86,666	102,522
	94,391	115,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

23. ACCOUNTS AND OTHER PAYABLES (continued)

Notes: (continued)

(b) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period	18,753	25,042
Receipts in advance	6,126	7,290
Recognised as revenue	(15,759)	(13,184)
Exchange realignment	210	(395)
At the end of the reporting period	9,330	18,753

At the end of the reporting period, none (2024: none) of the contract liabilities were expected to be settled after more than 12 months.

(c) The movements of the provision for a legal claim during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period	42,756	–
(Reversal) Addition of provision	(14,569)	43,031
Exchange realignment	572	(275)
At the end of the reporting period	28,759	42,756

During the year ended 30 June 2023, a wholly-owned subsidiary of the Company, Wuxi Shengye Haigang Joint Stock Company Limited* (無錫盛業海港股份有限公司) ("Wuxi Shengye"), received a writ of summon issued by the People's Court of Huishan District, Wuxi* (無錫市惠山區人民法院) (the "Court") regarding a civil litigation (the "Litigation") filed by Mr. Su Keru (the "Plaintiff") against Mr. Chen Yonghua ("Mr. Chen") and Wuxi Shengye as the defendants.

In the statement of claim, it was alleged that, among others: (i) in December 2013, the Plaintiff paid the deposits for construction works of RMB20,000,000 to Mr. Chen and Mr. Chen failed to refund such deposits to the Plaintiff despite all conditions for refund had been satisfied; (ii) in July 2015, the Plaintiff provided a loan of RMB20,000,000 to Mr. Chen and Mr. Chen failed to repay such loan; and (iii) in May 2017, Wuxi Shengye acknowledged that such deposits and loan (together, the "Alleged Debt") were used in its development projects and agreed to repay the Alleged Debt jointly with Mr. Chen.

* For identification purpose only.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

23. ACCOUNTS AND OTHER PAYABLES *(continued)*

Notes: *(continued)*

(c) *(continued)*

The Plaintiff was seeking from the Court for ordering that (i) Mr. Chen and Wuxi Shengye to jointly repay the Alleged Debt of RMB40,000,000 together with interests and (ii) Mr. Chen and Wuxi Shengye to bear the costs of the Litigation. In this connection, the Court has issued an order for the seizure and freezing of the bank deposits and other assets of Mr. Chen and Wuxi Shengye as property preservation measures.

During the year ended 30 June 2024, Wuxi Shengye received a civil judgement (the “1st Judgement”) issued by the Court which ruled that: (a) Mr. Chen shall repay the Alleged Debt of RMB40,000,000 together with interests to the Plaintiff immediately after the effective date of the 1st Judgement; (b) if Mr. Chen is unable to repay the debt mentioned in (a), Wuxi Shengye shall assume compensation liability for 50% of the unpaid amounts; and (c) all other claims filed by the Plaintiff were dismissed.

Based on the 1st Judgement, 50% compensation liability payable (inclusive of interest payable calculated on the basis directed by the Court) of approximately RMB39,821,000 (equivalent to approximately HK\$42,756,000) was provided by Wuxi Shengye as of 30 June 2024.

In May 2024, the Group had lodged an appeal against the 1st Judgement (the “Appeal”) to the Intermediate People’s Court of Huishan District, Wuxi (the “Intermediate Court”).

During the year ended 30 June 2025, the Intermediate Court issued a civil judgement (the “2nd Judgement”) and ruled that Wuxi Shengye shall repay the deposits for construction works of RMB20,000,000 together with interests, which are limited to the amount calculated based on the construction works of RMB20,000,000 with reference to the benchmark lending rates as directed by the Intermediate Court, to the Plaintiff.

With reference to a legal opinion from the PRC lawyer, the directors consider that no further provision other than the deposits for construction works of RMB20,000,000 and the related interests and costs is necessary.

Based on the 2nd Judgement, a reversal of the provision for legal claim of approximately RMB13,681,000 (equivalent to approximately HK\$14,569,000) was recorded as at 30 June 2025.

In September 2025, the Group had lodged an appeal against the 2nd Judgement (the “Final Appeal”) to the Supreme People’s Court of Wuxi City, Jiangsu Province. As at the date of these consolidated financial statements, the Supreme People’s Court has not yet held a hearing to decide on the Final Appeal.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

24. INTEREST-BEARING BORROWINGS

	Notes	2025 HK\$'000	2024 HK\$'000
Current portion			
Bank borrowings, secured	(a)	166,971	192,190
Other borrowings, unsecured	(b)	11,215	7,797
		178,186	199,987

Notes:

- (a) At the end of the reporting period, the Group's bank borrowings carried interest at 2.25% above Hong Kong Interbank Offered Rate (2024: 2.25% above Hong Kong Interbank Offered Rate) and the effective interest rate during the year was 4.3% (2024: 5.1%) per annum. During the year ended 30 June 2024, a renewal of the date of repayment was granted by the bank, as a result of which the outstanding balances as of 30 June 2024 were repayable in 4 tranches during July 2024 to November 2025. During the year ended 30 June 2025, a further renewal of the date of repayment was granted by the bank, as a result of which the outstanding balances as of 30 June 2025 were repayable in 2 tranches during July 2025 to November 2025.

As the bank borrowings contain a clause in their terms that gives the bank an overriding right to demand for repayment without notice at its sole discretion, the bank borrowings were classified as current liabilities as of 30 June 2024 even though the directors did not expect that the bank would exercise its rights to demand repayment before the scheduled due dates.

The bank borrowings are secured by the assets of the Group as follows:

- (i) pledge of investment properties (including the non-current assets classified as held for sales) and property, plant and equipment of the Group with carrying amounts of approximately HK\$204,700,000 (2024: HK\$266,400,000) and HK\$51,100,000 (2024: HK\$64,762,000) respectively;
 - (ii) assignment agreements in respect of rental income of the Group's investment properties located in Hong Kong duly executed by the Group in favour of the bank. During the year ended 30 June 2025, rental income of approximately HK\$6,528,000 (2024: approximately HK\$5,330,000) was generated from these investment properties; and
 - (iii) assignment agreements in respect of insurance compensation of the Group's investment properties located in Hong Kong duly executed by the Group in favour of the bank.
- (b) At the end of the reporting period, the Group's other borrowings of approximately HK\$7,936,000 were unsecured and interest-bearing at 10% (2024: 10%) per annum and repayable within twelve months. The remaining balances of approximately HK\$3,279,000 were unsecured, interest-free and repayable within twelve months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

25. SHARE CAPITAL

	2025		2024	
	Number of shares	HK\$'000	Number of shares	HK\$'000
Authorised:				
At the beginning and the end of the reporting period, ordinary shares of HK\$0.01 each	6,000,000,000	60,000	6,000,000,000	60,000
Issued and fully paid:				
At the beginning of the reporting period, ordinary shares of HK\$0.01 each	3,055,105,739	30,551	2,505,105,739	25,051
Issue of shares on 30 October 2023	–	–	550,000,000	5,500
At the end of the reporting period, ordinary shares of HK\$0.01 each	3,055,105,739	30,551	3,055,105,739	30,551

26. RESERVES

- Share premium represents the excess of the net proceeds or consideration from issuance of the Company's shares over their par value. The application of the share premium account is governed by Section 40 of the Companies Act 1981 of Bermuda (as amended).
- The non-recycling investment revaluation reserve comprises the cumulative net change in the fair value of Designated FVOCI at the end of the reporting period and is dealt with in accordance with the accounting policies adopted.
- Capital redemption reserve has been set up and is dealt with for repurchases and cancellations of the Company's own shares. The application of the capital redemption reserve is governed by Section 42A of the Companies Act 1981 Bermuda (as amended).
- Capital reserve represents contributed surplus arising from the cancellation of share premium account of the Company pursuant to a special resolution passed by the Company on 22 February 1999 and waivers of loans from the then minority shareholders of subsidiaries of the Company during the years ended 30 June 2006 and 2008.

Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is distributable to shareholders, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

- the Company is, or would after the payment be, unable to pay its liabilities as they become due; or
 - the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.
- Translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

27. DEFERRED TAXATION

The movements for the year in the Group's net deferred tax liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
At the beginning of the reporting period	98,094	95,849
Charge to profit or loss (<i>note 10</i>)	39,539	5,694
Exchange realignment	2,098	(3,449)
At the end of the reporting period	139,731	98,094

Recognised deferred tax assets (liabilities) at the end of the reporting period represent the following:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Depreciation allowances	–	–	(3,346)	(3,226)
Fair value adjustment arising from the transfer of investment properties to land and buildings under property, plant and equipment	–	–	(6,447)	(8,702)
Fair value adjustment on PHS arising from acquisition of a subsidiary (<i>Note</i>)	–	–	(70,119)	(73,615)
Fair value adjustment arising from the transfer of PHS to investment properties	–	–	(60,219)	(13,759)
Tax losses	400	1,208	–	–
Deferred tax assets (liabilities)	400	1,208	(140,131)	(99,302)
Offsetting	(400)	(1,208)	400	1,208
Net deferred tax liabilities	–	–	(139,731)	(98,094)
Amount expected to be recovered/ settled after 12 months	–	–	(139,731)	(98,094)

The balance represented deferred tax on the fair value adjustment on the PHS (2024: PHS) arising from the acquisition of a subsidiary and accelerated tax depreciation offsetting against unused tax losses recognised.

Note:

Properties with fair value adjustment arising from acquisition of a subsidiary of approximately HK\$57,930,000 (2024: approximately HK\$6,485,000) were transferred from PHS to investment properties during the year ended 30 June 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

27. DEFERRED TAXATION *(continued)*

UNRECOGNISED DEFERRED TAX ASSETS

	2025 HK\$'000	2024 HK\$'000
Tax losses arising in Hong Kong	235,838	259,747
Tax losses arising in the PRC	32,951	4,078
	268,789	263,825

At the end of the reporting period, the Group had unused tax losses of approximately HK\$235,838,000 (2024: HK\$259,747,000) available for offset against future taxable profits in Hong Kong. No deferred tax assets in respect of these items have been recognised due to the unpredictability of future profit streams. Neither the tax losses nor the deductible temporary differences expire under current tax legislation in Hong Kong.

In addition, at the end of the reporting period, the Group had the following tax losses arising in the PRC that can be offset against future taxable profits of the respective subsidiaries for a maximum of 5 years from the year in which the tax losses were incurred:

	2025 HK\$'000	2024 HK\$'000
Year of expiry		
2026	356	349
2028	3,795	3,729
2029	28,800	—
	32,951	4,078

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

28. OTHER CASH FLOW INFORMATION

Details of the changes in the Group's liabilities from financing activities are as follows:

	Interest-bearing borrowings HK\$'000
2025	
At the beginning of the reporting period	199,987
Exchange realignment	139
Cash inflow (outflow) in financing activities:	
New other borrowings raised	3,279
Repayment of bank and other borrowings	(25,219)
At the end of the reporting period	178,186
2024	
At the beginning of the reporting period	210,124
Exchange realignment	(137)
Cash outflow in financing activities:	
Repayment of bank and other borrowings	(10,000)
At the end of the reporting period	199,987

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

29. COMMITMENTS

At the end of the reporting period, the Group had the following commitments for expenditure:

	2025 HK\$'000	2024 HK\$'000
Contracted but not provided for:		
– Air-conditioning work and electricity construction for investment properties (2024: PHS)	1,845	20,556

30. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions / information disclosed elsewhere in the consolidated financial statements, during the year, the Group had the following transaction with related parties:

Relationship	Nature of transactions	2025 HK\$'000	2024 HK\$'000
Director of the Company, Dr. Chan Kin Keung, Eugene	Consultancy fee	840	28

(b) REMUNERATION TO KEY MANAGEMENT PERSONNEL

The remuneration to members of key management, including the directors as disclosed in note 11 to the consolidated financial statements, for both years is as follows:

	2025 HK\$'000	2024 HK\$'000
Remuneration to key management personnel	10,074	3,170

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Interests in subsidiaries	31(a)	865,729	849,521
Current assets			
Other receivables		563	567
Bank balances and cash		2,021	16,096
		2,584	16,663
Current liabilities			
Other payables		705	1,435
Interest-bearing borrowings		166,971	192,190
		167,676	193,625
Net current liabilities		(165,092)	(176,962)
Total assets less current liabilities		700,637	672,559
Non-current liabilities			
Amount due to a subsidiary		175,966	137,157
Net assets		524,671	535,402
Capital and reserves			
Share capital	25	30,551	30,551
Reserves	31(b)	494,120	504,851
Total equity		524,671	535,402

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

Information about the statement of financial position of the Company at the end of the reporting period is as follows: *(continued)*

(a) INTERESTS IN SUBSIDIARIES

	2025 HK\$'000	2024 HK\$'000
Unlisted shares, at cost	89,046	89,046
Amounts due from subsidiaries	829,252	812,759
	918,298	901,805
Allowance for impairment losses	(52,569)	(52,284)
	865,729	849,521

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment term. At the end of the reporting period, the carrying amounts of the amounts due approximate their fair values. The amounts due from subsidiaries are not expected to be realised in the next twelve months from the end of the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

Information about the statement of financial position of the Company at the end of the reporting period is as follows: *(continued)*

(a) INTERESTS IN SUBSIDIARIES *(continued)*

Particulars of the principal subsidiaries of the Company at the end of the reporting period are as follows:

Name of subsidiaries	Place of incorporation / registration and operation / kind of legal entity	Nominal value of issued and paid-up share capital / registered capital	Proportion of issued / paid up share capital / registered capital held by the Company		Principal activities
			Directly	Indirectly	
Applied Investment (Asia) Limited	Hong Kong / limited liability company	Ordinary HK\$574,630,911	100%	–	Investing in funds, equity securities and debt instruments
Applied Hong Kong Properties Limited	Hong Kong / limited liability company	Ordinary HK\$500,000	–	100%	Investing in equity securities and property investment
Applied Talent Management Limited	Hong Kong / limited liability company	Ordinary HK\$1	–	100%	Provision of administrative and secretarial services
Dragon Gainer Investment Limited	Hong Kong / limited liability company	Ordinary HK\$1	–	100%	Provision of administrative and secretarial services
Dragon Bell Group Limited	British Virgin Islands / limited liability company	Ordinary US\$1	100%	–	Investing in securities
Superform Investment Limited	Hong Kong / limited liability company	Ordinary HK\$102	–	100%	Property investment
無錫盛業海港股份有限公司 Wuxi Shengye Haigang Joint Stock Company Limited* (“Wuxi Shengye”)	The PRC / wholly foreign owned enterprise	Registered capital RMB530,000,000 / Paid-up capital RMB517,724,000 (Note 1)	–	100%	Property development
Novautek Autonomous Driving Limited (“Novautek”)	Hong Kong / limited liability company	Ordinary HK\$30,000,000 (2024: HK\$10,000,000)	–	84% (2024: 51%)	Autonomous driving

Note 1:

At the date of the authorisation of these consolidated financial statements, the unpaid capital amounted to RMB12,276,000.

* For identification purpose only.

None of the subsidiaries had any debt securities outstanding at the end of the reporting period, or at any time during the year.

The above list includes the subsidiaries of the Group which, in the opinion of the directors, principally affected the results of the year or assets and liabilities of the Group. To give details of all other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

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

(b) MOVEMENTS OF RESERVES OF THE COMPANY

	Share premium HK\$'000 (Note 26(a))	Capital redemption reserve HK\$'000 (Note 26(c))	Capital reserve HK\$'000 (Note 26(d))	Accumulated losses HK\$'000	Total HK\$'000
At 1 July 2023	406,743	11,931	204,610	(136,919)	486,365
Issue of share capital	31,058	–	–	–	31,058
Loss for the year and total comprehensive loss for the year	–	–	–	(12,572)	(12,572)
At 30 June 2024 and 1 July 2024	437,801	11,931	204,610	(149,491)	504,851
Loss for the year and total comprehensive loss for the year	–	–	–	(10,731)	(10,731)
At 30 June 2025	437,801	11,931	204,610	(160,222)	494,120

Subject to the conditions mentioned in notes 26 to the consolidated financial statements, the Company had reserves (including capital reserve and accumulated losses) totalling of approximately HK\$44,388,000 (2024: approximately HK\$55,119,000) available for distribution to shareholders at the end of the reporting period.

32. RETIREMENT BENEFIT SCHEMES

With effect from 1 December 2000, the Group has enrolled all its qualifying employees employed in Hong Kong into a mandatory provident fund scheme (the "MPF Scheme"). The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme.

In accordance with rules and regulations in the PRC, the employees of the Group's entities established in the PRC are required to participate in defined contribution retirement plans organised by local government. Contributions to those plans are expensed as incurred. Other than the monthly contributions, the Group has no further obligation for the payment of the retirement benefits to its employees.

At the end of the reporting period, no forfeited contribution is available to reduce the contributions payable in future years.

The retirement benefits cost charged to profit or loss, as set out in note 9 to the consolidated financial statements, represents contributions payable to the schemes by the Group at rates specified in the rules of the MPF Scheme and the defined contribution retirement plans in the PRC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

33. CONTINGENT LIABILITIES

In addition to the Litigation as disclosed in note 23(c) to the consolidated financial statements, Wuxi Shengye received another writ of summon issued by the Court regarding a civil litigation (the "2nd Litigation") filed by the Plaintiff against Wuxi Shengye as the defendant in February 2024.

In the statement of claim, the Plaintiff alleged that, among others: (i) on 12 November 2013, the Plaintiff, through Jiangsu Nantong Liujian Construction Group Company Limited* (江蘇南通六建建設集團有限公司) (the "Plaintiff 2") entered into a general contractor agreement with Wuxi Shengye for the construction project of the commercial complex at Liutan station of the Wuxi Metro line 1 (the "Project") which was developed by Wuxi Shengye and the Plaintiff undertook the Project as the general constructor; (ii) the Project was completed and the parties had entered into a supplemental agreement on 28 March 2023 (the "Supplemental Agreement") regarding the acceptance of the Project, settlement audit and payment of construction fees; (iii) Wuxi Shengye failed to complete the settlement audit of the Project and failed to pay the quality guarantee deposit and the outstanding construction fee in accordance with the Supplemental Agreement.

The Plaintiff was seeking from the Court to order Wuxi Shengye (i) to pay the quality guarantee deposit of RMB6,952,000 and the corresponding interest; (ii) to pay the outstanding construction fee of RMB51,425,240 and the corresponding interest; and (iii) to bear the costs of the 2nd Litigation. In this connection, the Court has issued an order for the seizure and freezing of certain assets of Wuxi Shengye as property preservation measures.

The directors deny the allegations of the Plaintiff and Wuxi Shengye had arranged for the final settlement audit regarding the construction fees of the Project ("Settlement Audit"). However, the Plaintiff 2 did not agree with the results of the Settlement Audit without providing valid grounds and supporting documents.

The 2nd litigation had been dismissed by the Court in February 2025.

In May 2025, Wuxi Shengye received another writ of summon issued by the Court regarding a civil litigation (the "3rd Litigation") filed by the Plaintiff 2 against Wuxi Shengye as the defendant for the same dispute.

The Plaintiff 2 was seeking from the Court to order Wuxi Shengye (i) to pay the quality guarantee deposit of approximately RMB6,952,000 and the corresponding interest; (ii) to pay the outstanding construction fee and the corresponding interest of approximately RMB25,520,000 (the "Alleged Outstanding Fees"); (iii) to pay the liquidated damages of approximately RMB7,733,000; (iv) to confirm and rule that the Plaintiff 2 has priority right to receive payment for the outstanding construction fee and quality guarantee deposit for the Project and (v) to bear the costs of the 3rd Litigation.

Up to the date of these consolidated financial statements, no judgement has been received from the Court in respect of the 3rd Litigation. The Group had already recorded sufficient accruals with respect of the outstanding construction fees for the Project in accounts payable.

With reference to a legal opinion from the PRC lawyer, the directors consider that no further provision for the Alleged Outstanding Fees and the related interests and costs is necessary.

* For identification purpose only.



FIVE-YEAR FINANCIAL SUMMARY

The following is a summary of the published results and the assets and liabilities of the Group:

RESULTS

	For the year ended 30 June				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	253,977	11,131	93,673	41,057	33,795
(Loss) Profit before income tax	(59,565)	(161,436)	(46,834)	(48,215)	46,943
Tax (expense) credit	(662)	(1,441)	3,168	(6,219)	(39,818)
(Loss) Profit for the year	(60,227)	(162,877)	(43,666)	(54,434)	7,125
(Loss) Profit attributable to equity holders of the Company	(60,227)	(162,877)	(43,449)	(50,607)	9,046

ASSETS AND LIABILITIES

	At 30 June				
	2021	2022	2023	2024	2025
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Total assets	1,654,221	1,436,359	1,299,818	1,273,673	1,269,036
Total liabilities	(605,473)	(563,372)	(497,671)	(501,141)	(481,660)
	1,048,748	872,987	802,147	772,532	787,376
Equity attributable to equity holders of the Company	1,048,748	872,987	797,464	771,676	790,736

PARTICULARS OF INVESTMENT PROPERTIES, LAND AND BUILDINGS UNDER PROPERTY, PLANT AND EQUIPMENT AND PROPERTIES HELD FOR SALES

Particulars of investment properties (including non-current assets classified as held for sales) held by the Group as at 30 June 2025 are as follows:

Name/location	Approximate gross floor area	Lease expiry	Type	Effective % held
24th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong (excluding units 2407A, 2407B, 2408A, 2410A, 2410B, 2411A and 2411B)	11,686 sq.ft.	2059	Commercial	100%
The sides of Tianhe Road, Tianyi New Town, Huishan District, Wuxi City, Jiangsu Province, the PRC (Commercial)	59,446 sq.m.	2053	Commercial	100%
The sides of Tianhe Road, Tianyi New Town, Huishan District, Wuxi City, Jiangsu Province, the PRC (Parking spaces)	35,749 sq.m.	2053	Parking spaces	100%

Particulars of land and buildings under property, plant and equipment held by the Group as at 30 June 2025 are as follows:

Name/location	Approximate gross floor area	Lease expiry	Type	Effective % held
Units 2407A, 2407B and 2408A on 24th Floor, Tower One, Lippo Centre, No. 89 Queensway, Hong Kong	2,696 sq.ft.	2059	Commercial	100%

Particulars of properties held for sales held by the Group as at 30 June 2025 are as follows:

Name/location	Year of completion	Approximate site area	Approximate gross floor area completed	Lease expiry	Type	Effective % held
The PRC						
The sides of Tianhe Road, Tianyi New Town, Huishan District, Wuxi City, Jiangsu Province, the PRC	2023	29,326 sq.m. ^{note 1}	15,570 sq.m. ^{note 2}	2053	Commercial	100%

Note 1 The site area is in respect of the whole property (regardless of GFA that have been sold).

Note 2 Properties sold and properties transferred to investment properties were deducted from the calculation of floor area.



DEFINITIONS

In this annual report, the following terms or expressions have the following meanings unless otherwise specified:

"AGM"	the annual general meeting of the Company
"Audit Committee"	the audit committee of the Company
"Board"	the board of directors of the Company
"Bye-laws"	the Bye-laws of the Company
"CEO"	the chief executive officer of the Company
"Chairman"	the chairman of the Board
"CG Code"	the Corporate Governance Code contained in Appendix C1 to the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
"Company"	Novautek Technologies Group Limited
"COVID-19"	Coronavirus Disease 2019
"Director(s)"	the director(s) of the Company
"FVPL"	fair value through profit or loss
"FY2020"	the financial year ended 30 June 2020
"FY2021"	the financial year ended 30 June 2021
"FY2022"	the financial year ended 30 June 2022
"FY2024"	the financial year ended 30 June 2024
"FY2025"	the financial year ended 30 June 2025
"Group", "we", "our" or "Novautek"	the Company and its subsidiaries
"HK\$" and "HK cents"	Hong Kong dollars and cents, the lawful currency of Hong Kong
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules
"Nomination Committee"	the nomination committee of the Company

DEFINITIONS

"PRC"	the People's Republic of China
"Remuneration Committee"	the remuneration committee of the Company
"R&D"	research and development
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	the share(s) of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"sq.ft."	square feet
"sq.m."	square meter
"Stock Exchange" or "HKEx"	The Stock Exchange of Hong Kong Limited
"Wuxi Property Project"	the property development project of the Group in Wuxi City, Jiangsu Province, the PRC
"Wuxi Shengye"	Wuxi Shengye Haigang Joint Stock Company Limited* (無錫盛業海港股份有限公司), a wholly-owned subsidiary of the Company
"US\$"	United States dollars, the lawful currency of the United States of America
"%"	per cent

* For identification purposes only