



AUTO ITALIA

AUTO ITALIA HOLDINGS LIMITED 意達利控股有限公司

(Incorporated in Bermuda with limited liability)

Stock Code: 720



ANNUAL REPORT 2025





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CORPORATE INFORMATION



DIRECTORS

Executive Directors

Mr. CHONG Tin Lung Benny (*Executive Chairman and Chief Executive Officer*)

Mr. LI Shaofeng

Mr. LIN Chun Ho Simon

Mr. ZHANG Kun (appointed on 4 February 2026)

Non-executive Director

Ms. HANG Qingli

Independent Non-executive Directors

Mr. KONG Kai Chuen Frankie

Mr. TO Chun Wai

Dr. SHAM Chung Ping Alain

BOARD COMMITTEES

Audit Committee

Mr. KONG Kai Chuen Frankie (*Chairman*)

Mr. TO Chun Wai

Dr. SHAM Chung Ping Alain

Remuneration Committee

Mr. TO Chun Wai (*Chairman*)

Mr. CHONG Tin Lung Benny

Mr. KONG Kai Chuen Frankie

Dr. SHAM Chung Ping Alain

Nomination Committee

Mr. CHONG Tin Lung Benny (*Chairman*)

Ms. HANG Qingli (with effect from 1 July 2025)

Mr. KONG Kai Chuen Frankie

Mr. TO Chun Wai

Dr. SHAM Chung Ping Alain

Executive Directors' Committee

Mr. CHONG Tin Lung Benny (*Chairman*)

Mr. LIN Chun Ho Simon

COMPANY SECRETARY

Ms. KWONG Yin Ping Yvonne

AUTHORISED REPRESENTATIVES

Mr. CHONG Tin Lung Benny

Ms. KWONG Yin Ping Yvonne

REGISTERED OFFICE

Victoria Place, 5th Floor
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PRINCIPAL BANKER

China CITIC Bank International Limited

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
Registered Public Interest Entity Auditor
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Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN BERMUDA

Ocorian Management (Bermuda) Limited
Victoria Place, 5th Floor
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Bermuda

SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

STOCK CODE

The Stock Exchange of Hong Kong Limited: 720

WEBSITE ADDRESS

www.autoitalia.com.hk

CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the board of directors (the "**Board**") of Auto Italia Holdings Limited (the "**Company**"), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025 (the "**Reporting Period**").

The year 2025 proved challenging for businesses across the globe, and our Group was not spared. Global macroeconomic conditions remained uncertain, intensified by continuing geopolitical tensions and increasing complexities in international relations. These external headwinds inevitably affected our performance, resulting in a consolidated loss attributable to owners of the Company of approximately HK\$99.2 million for the Reporting Period – a slight narrowing from the HK\$102.1 million loss reported in the prior year.

Notwithstanding these difficulties, the Group stayed firmly committed to its long-term growth strategy and strategic transformation. A significant achievement during the year was the successful integration of the new energy vehicle ("**EV**") business acquired in 2024. The EV business has made a remarkable contribution to the Group's revenue and has quickly established itself as a key growth driver. In particular, its R&D function has demonstrated strong leadership and overseas market expertise, providing the Group with robust development capabilities and positioning us well to capture opportunities in the rapidly evolving mobility sector.

Looking forward, the Group will actively explore strategic cooperation opportunities with business partners to further strengthen our position, capabilities and competitiveness in the EV segment. Such collaboration is expected to enhance our product offerings through the integration of advanced vehicle connectivity and fleet management technologies, while also expanding and optimising our sales and distribution channels. By sharing technical expertise, human resources and infrastructure, and sales and distribution networks, we anticipate improved operational efficiency and cost optimisation. In addition, these partnerships may bring potential financial support in the form of loans or equity investment, further reinforcing the EV business's capacity for sustainable growth and innovation.

We remain acutely aware of the importance of financial resilience in the current economic landscape. Our management team will continue to proactively optimise the Group's financial position, alleviate financing cost pressures, maintain prudent capital management, and pursue initiatives to enhance operational efficiency and long-term business sustainability.

On behalf of the Board, I extend my heartfelt thanks to our shareholders for their steadfast loyalty and support. I also wish to express our sincere appreciation to our customers, principals, suppliers and business partners for their continued partnership with the Group. Lastly, I offer my deep gratitude to our management team and employees for their outstanding commitment and efforts during yet another demanding year.

CHONG Tin Lung Benny

Executive Chairman & Chief Executive Officer

Hong Kong, 27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

Property Investment Division

For the year ended 31 December 2025, the Property Investment Division recorded a rental income of HK\$28.0 million for leasing the properties of the Group to third parties in Hong Kong and Scotland (2024: HK\$26.6 million). Rental income increased by HK\$1.4 million, mainly attributable to the commencement of a new tenancy and the upward adjustment of rental rates under a renewed lease agreement in Scotland during the second half of 2025.

Car Division

For the year ended 31 December 2025, the Car Division recorded a revenue of HK\$68.4 million, a sharp increase from HK\$4.7 million in 2024, primarily reflects the financial contribution of Hudson Holding Limited, which was acquired by the Group on 29 October 2024. This positive development highlights the Group's strategic efforts to diversify revenue streams and capture opportunities in the growing new energy vehicle ("NEV") market. In addition to capitalizing on Europe's growing NEV market, the Group has begun expanding its customer relationships and presence on a global scale. Leveraging its established logistics network, the Group has initiated the development of a car trading business, positioning itself to capture new opportunities across emerging markets and strengthen its global revenue streams.

Financial Investments and Services Division

Amid the prevailing market turbulence, the Group has adopted a cautious approach in its lending business to mitigate the risk of loan defaults and non-performing debts. As at 31 December 2025 and 2024, the Group did not have any outstanding loan lent to customers. Hence, no revenue was recorded.

Cost of Sales and Gross Profit

Gross profit increased by HK\$6.1 million to HK\$26.6 million (2024: HK\$20.5 million). The increase was primarily contributed by the performance of the Car Division.

As the car industry generally operates with structurally lower gross profit margins compared to the property investment sector, the shift in revenue mix resulted in a contraction in overall gross profit margin by 37.8 percentage points to 27.6% during the reporting period (2024: 65.4%).

Management Discussion and Analysis



Other Income

For the year ended 31 December 2025, other income amounted to HK\$6.6 million (2024: HK\$0.9 million). The increase of HK\$5.7 million was mainly contributed by the PRC government subsidy due to the achievement of EU certification for one of our NEV product and write-off of aged payables to customers related discontinued operations.

Other Gains and Losses

Other gains and losses amounted to a net loss of HK\$47.7 million (2024: HK\$55.4 million) which mainly represented impairment losses on goodwill and intangible assets of HK\$67 million and HK\$22 million respectively, partially offset by fair value gain of investment of an associate of HK\$1.7 million (2024: fair value loss of HK\$76.1 million) measured at fair value through profit or loss ("FVTPL"), fair value gain of investment properties of HK\$15.7 million (2024: HK\$26.2 million) and fair value gain of financial assets measured at FVTPL of HK\$30.0 million (2024: fair value loss of HK\$4.9 million).

Selling and Distribution Costs and Administrative Expenses

Selling and distribution costs and administrative expenses in 2025 aggregated to HK\$42.3 million (2024: HK\$29.9 million). The net increase of HK\$12.4 million was mainly attributed to increase in staff cost, sales consultancy fee, amortization expense and research and development expenses.

Finance Costs

Finance costs during the year were increased to HK\$42.6 million (2024: HK\$33.8 million) which was mainly caused by increase in interest on bank and other borrowings by HK\$1.5 million to HK\$31.5 million (2024: HK\$30.0 million) and imputed interest on promissory note of HK\$6.2 million (2024: Nil).

Life Science Investment

On 8 October 2025, the Group entered into an agreement with an independent third party, which is also a holder of the Group's certain other borrowings, for the transfer of its entire interest in issued share in Rainbow Surplus Investment Limited, an indirect wholly-owned subsidiary of the Company which primarily holds the investment in CBL at a consideration of HK\$41,000,000, which was settled by set-off against a portion of the outstanding principal and accrued interest from the aforementioned borrowings. The transaction was completed on 8 October 2025, and the Group has recognised a fair value gain of HK\$1,659,000 during the year ended 31 December 2025.

Loss Attributable to Shareholders

Loss attributable to shareholders of the Company for the year was HK\$99.2 million (2024: HK\$102.1 million). This result was primarily due to impairment losses on goodwill and intangible assets of HK\$67 million and HK\$22 million respectively.

Liquidity and Financial Resources

Cash Flow

During the year ended 31 December 2025, the Group financed its operations and investments through cash generated from the Group's operations, as well as bank and other borrowings. The Group successfully secured borrowings of HK\$42.5 million. Additionally, the Group repaid bank and other borrowings of HK\$20.3 million.

Cash and Cash Equivalents

As at 31 December 2025, the Group had cash and cash equivalents (including pledged bank deposits) of HK\$14.2 million as compared with HK\$21.4 million as at 31 December 2024, which were denominated in Pound Sterling (as to 80.2%), Hong Kong dollars (as to 13.3%) and Renminbi (as to 2.9%).

Bank and Other Borrowings, Loan from a non-controlling member of a subsidiary, Loan from a related party, loan from a shareholder and Promissory Notes

As at 31 December 2025, the Group had bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes totaling HK\$502.6 million (2024: HK\$481.6 million), of which HK\$216.9 million were repayable more than one year (2024: HK\$197.1 million were repayable more than one year). The Group's debt to equity ratio for the year ended 31 December 2025 increased to 266.1% from 180.0% for the year ended 31 December 2024 based on the total of bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes totaling HK\$502.6 million (2024: HK\$481.6 million) and total equity of HK\$188.9 million (2024: HK\$267.5 million).

The increase in debt to equity ratio resulted from a decrease in equity, eroded by impairment losses on goodwill and intangible assets.

The Group's bank borrowing, which amounted to HK\$20.4 million as at 31 December 2024, was fully repaid in April 2025. This facility, secured by an investment property in Hong Kong and a pledged bank deposit, was repayable in instalments over three years, carried a repayment-on-demand clause, and bore interest at HIBOR plus 2% per annum. Following the full repayment in the current year, the Group no longer has any outstanding balance under this bank loan.

Management Discussion and Analysis



The promissory note has maturity of seven years until March 2028 and carries interest at 8% per annum ("**Promissory Note 1**"). As at 31 December 2025, the outstanding principal and accrued interest under Promissory Note 1 amounted to HK\$27.5 million and HK\$6.6 million respectively (collectively, the "**Indebted Amount**"). Of the total accrued interest balance, HK\$2.2 million was recognised as finance cost in the current financial year. Subsequent to the Reporting Period, the entire Indebted Amount was fully capitalized and satisfied through the issuance of 3% coupon convertible bonds with a maturity date falling on the third anniversary of the issuance date ("**Convertible Bonds**"). The Convertible Bonds are convertible into ordinary Shares at a conversion price of HK\$0.34 per conversion share. This capitalization transaction has resulted in the full settlement and derecognition of the Promissory Note 1 liability from the Group's statement of financial position after the reporting date.

Due to the acquisition of Hudson Holding Limited, the Company issued another promissory notes having maturity of 3 years and without interest ("**Promissory Notes 2**"). The fair value of Promissory Notes 2 as at 31 December 2025 is HK\$52.1 million. For the year ended 31 December 2025, the Group recognized imputed interest expense of HK\$6.2 million on Promissory Note 2.

The other borrowings of HK\$261.3 million, secured by an investment property in Scotland ("**Other Borrowings 1**"), and loan from a non-controlling member of a subsidiary have maturity in October 2026 and carry interest at 8.5% and 10% per annum respectively. Other Borrowings 2 represents an unsecured loan facility obtained by the Group from a third-party lender. As at 31 December 2025, the outstanding balance under Other Borrowings 2 amounted to HK\$60.2 million, comprising principal of HK\$52.1 million and accumulated interest of HK\$8.1 million. This borrowing carries interest at a fixed rate of 9% per annum and is scheduled to mature in April 2028. Subsequent to the Reporting Period, Other Borrowings 2 was fully capitalized and satisfied through the issuance of Convertible Bonds. The remaining balance of the other borrowings amounted to HK\$37.2 million, comprising principal of HK\$35.9 million and accumulated interest of HK\$1.3 million. These borrowings are unsecured, carries interest rates ranging from 2% to 3.85% per annum, with maturities spanning from 2027 to 2028. For the year ended 31 December 2025, the Group incurred total interest expense of HK\$31.5 million on secured and unsecured other borrowings with a balance of HK\$358.7 million, and HK\$1.1 million on loan from a non-controlling interest in a subsidiary, which had a balance of HK\$13.4 million.

The loan from a shareholder of HK\$33.3 million comprising principal of HK\$32 million and accumulated interest of HK\$1.3 million is unsecured, carries interest at 7% per annum and will be matured in April 2028. For the year ended 31 December 2025, the Group incurred interest expense of HK\$1.3 million on this loan.

Loan Receivables

During the current period of market distress, the Group has continued to adopt a prudent and cautious approach to balance the return and risk of the financing activities. As at 31 December 2025 and 2024, the Group did not have any outstanding secured loan lent to customers.

Foreign Exchange Exposure

The Group currently does not have a foreign currency hedging policy. The Group manages its foreign exchange exposure by monitoring the matching of the currency of its debt with (i) the collateral assets; and (ii) the debt servicing income derived from its business activities. During the year, loan secured by property in Scotland was denominated in Pound Sterling and serviced by income from Scotland denominated in Pound Sterling.

Due to the appreciation of the Pound Sterling over the period, a positive exchange difference arising on translation of foreign operations of approximately HK\$12.6 million was recorded during the year (2024: negative exchange difference of approximately HK\$4.9 million).

Pledge of Assets

As at 31 December 2025, certain of the Group's bank deposit and properties totaling HK\$469.0 million (2024: bank deposit and properties totaling HK\$458.9 million) were pledged as securities for relevant borrowings.

CAPITAL EXPENDITURES, COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group had total capital commitment of HK\$7.2 million (31 December 2024: HK\$6.9 million), all capital commitments as at 31 December 2025 are authorized but not contracted for. The capital commitment primarily related to addition of equipment for EV business. These capital commitments are expected to be financed by internal resources of the Group.

As at 31 December 2025 and 31 December 2024, the Group had no material contingent liabilities.

EVENTS AFTER REPORTING PERIOD

Potential Change of Substantial Shareholder

On 22 January 2026, VMSIG, Maini Investments Limited and Gustavo International Limited entered into a sale and purchase agreement with B-ON Global S.à.r.l. (the "**Potential Purchaser**") which the Potential Purchaser shall acquire interest in 1,300,000,000 Shares (the "**Potential Share Transfer**"). Upon completion of the Potential Share Transfer, Mr. CHONG Tin Lung Benny and VMSIG will be interested in 4.45% of the issued capital of the Company and the Potential Purchaser will be interested in 21.34% of the issued share capital of the Company. As at the date of this Report, the Potential Share Transfer has not been completed. For details, please refer to the announcements of the Company dated 22 January 2026, 22 February 2026 and 6 March 2026.



Appointment of Executive Director

Mr. ZHANG Kun has been appointed as an Executive Director with effect from 4 February 2026. For details, please refer to the announcement of the Company dated 4 February 2026.

Share Placement and Issuance of Convertible Bonds

On 13 February 2026, the Company announced that it has conditionally agreed to place through Guotai Junan Securities (Hong Kong) Limited (the "**Placing Agent**"), on a best-effort basis, up to an aggregate of 50,000,000 new Shares (the "**Placing Share(s)**") at the price of HK\$0.30 per Placing Share (the "**Placing**") to raise up to approximately HK\$14.36 million (after deduction of placing commission and other expenses of the Placing), representing approximately 0.78% of the then issued share capital of the Company as enlarged by the allotment and issue of all the Placing Shares. On 26 February 2026, a total of 50,000,000 Placing Shares have been successfully placed by the Placing Agent to no less than six independent placees ("**Placees**") at the placing price of HK\$0.30 per Placing Share.

Details of the Placing were disclosed in the announcements of the Company dated 13 February 2026 and 26 February 2026.

The total issued Shares as at the date of this Report are 6,142,515,390 Shares.

On 13 February 2026, the Company entered into a subscription agreement (the "**Subscription Agreement**") with Unicorn Global Group Limited (the "**Subscriber**"), pursuant to which the Company has conditionally agreed to issue to the Subscriber, and the Subscriber have conditionally agreed to subscribe for, the 3.0% coupon rate convertible bonds in aggregate principal amount of HK\$98,000,000 (the "**Convertible Bonds**") at the conversion price of HK\$0.34 per Share(s) which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds (the "**Conversion Share(s)**").

No gross proceeds were raised from the subscription of the Convertible Bonds and the subscription price of HK\$98,000,000 was paid by the Subscriber to the Company by way of offsetting the indebted amount owned by the Group to the Subscriber on a dollar-for-dollar basis.

Details of the subscription of the Convertible Bonds were disclosed in the announcements of the Company dated 13 February 2026 and 26 February 2026.

Saved as disclosed above, there are no material subsequent events after the end of the Reporting Period.

HUMAN RESOURCES AND CHARITY

As at 31 December 2025, the Group employed a total of 34 employees in Hong Kong and Mainland China. The Group believes that employees are all pivotal to our development and representing the most valuable asset for supporting our sustainable business growth. Total remuneration expenses in 2025 amounted to HK\$14.9 million (2024: HK\$10.3 million), which comprised fixed compensation such as basic salaries and allowances; variable incentives such as performance bonus; and long term incentives such as share-based payments as well as retirement benefits scheme. The increase in total remuneration is mainly driven by the acquisition of Hudson Holding Limited in October 2024, with the full-year impact recognized in 2025.

As always, we not only provided competitive remuneration packages and benefits programs to our employees, but also provided reasonable and safe working environment, as well as supporting employee's continued education to uncover their hidden potential.

BUSINESS REVIEW

Property Investment

The property investment business has formed part of the Group's reportable segments since 2014. The property investment division of the Group oversees and reviews its property portfolio from time to time to enhance returns and holds investment properties to earn rentals or for capital appreciation purposes. The Company funds the operations of the property investment division with its internal resources and banking facility. Our property investments consist principally of a portfolio of an office building in Scotland, an industrial building and a car park in Hong Kong.

For our investment properties in Hong Kong and Scotland, the Group continued to earn a rental income of HK\$2.0 million and HK\$26.0 million respectively (2024: HK\$2.3 million and HK\$24.3 million respectively) from leasing the investment properties. During the year, the Group recorded a net unrealised gain on fair value change of investment properties of HK\$15.7 million (2024: HK\$26.2 million).

As at 31 December 2025, approximately 86% of the total net internal area of Capella is subject to various tenancy agreements at a total rental of approximately GBP3.0 million per annum with the expiry date in February 2030 at the latest and a weighted average unexpired lease term to expiry of 3.75 years.

Cars

In 2025, against the backdrop of the global automotive industry's transformation wave, the Group achieved a major breakthrough in building a stable and sustainable business ecosystem in the European automobile market. At the same time, we accelerated our global layout and efficiently expanded into markets beyond Europe, realizing a comprehensive leap in business development.

The full year recorded sales revenue of HK\$68.1 million from the continuing operations, representing substantial growth compared with the previous year. This remarkable performance vividly demonstrates the Group's strategic foresight and strong execution capability in the market.

Management Discussion and Analysis



Through systematic enhancement of organizational and operational efficiency, comprehensive expansion of sales channel coverage, precise focus on core product portfolios, and deep participation in industry ecosystem development, the Group has not only established a solid foundation for its own long-term and stable development, but has also laid a strong basis for capturing a core share of the European electric vehicle market and continuously expanding into electric vehicle markets in other global regions. These achievements reflect the responsibility and commitment of Chinese automakers in pursuing globalization.

Strengthening Organizational Capabilities and Establishing Local Presence

To deeply integrate into the European market and achieve efficient localized operations, the Group took proactive and targeted actions by establishing two subsidiary companies in the Netherlands, which serve as the Group's European management headquarters. These entities comprehensively oversee brand strategy, sales policy formulation, pricing system approval, and unified operational supervision across the entire European region, building a clear division of responsibilities, highly collaborative, and fully covered regional management system. This provides strong organizational support for the standardized and sustainable development of the European business.

The primary operating entity in the Netherlands focuses on core markets and takes full responsibility for the import and export trade of vehicles and parts in the Benelux region (Netherlands, Belgium, Luxembourg), precise market promotion, in-depth channel development, key account management, and full-cycle after-sales service. It accurately addresses regional market needs and promotes the deep implementation and rooting of localized operations and services.

At the same time, the two Dutch subsidiaries leverage their radiating and driving effect to provide comprehensive operational coverage and specialized support to European countries where the Group has not yet established local entities. This has successfully formed a unified, linked, and efficient regional management framework, effectively addressing the challenges of differentiated operations across multiple European countries and driving overall quality improvement and coordinated development of the European business.

In addition, adhering to the philosophy of "win-win cooperation and complementary advantages," the Group entered into a deep strategic partnership with the well-known local parts operator HOLVEX Handels GmbH to jointly establish a European after-sales spare parts operation warehouse center and an intelligent online service platform. This provides convenient, efficient, and precise spare parts ordering services to all dealers in the European region, continuously improving the after-sales support system, strengthening the Group's service foundation in the European market, and helping steadily enhance brand reputation and deepen market recognition.

Expanding Sales Channels and Agency Network Development

During the expansion process in the European market, the Group accurately grasped regional market patterns and industry trends, and innovatively adopted a "low investment, high return, fast penetration" agency cooperation model to efficiently expand the European sales network and steadily increase market penetration.

By combining the Group's professional sales management team with deep collaboration from experienced local industry professionals in Europe, the model effectively controlled initial investment costs and reduced market entry risks while fully leveraging local resource advantages to rapidly enter the European market and enhance local brand recognition.

In 2025, the Group seized the momentum and steadily advanced, successfully entering the markets of eight European countries, including Italy, Switzerland, Germany, Spain, and Austria. In key markets such as Switzerland and Italy, the Group have collaborated with local partners to develop brand image stores to strengthen localized brand display and promotion effectiveness, ensuring precise implementation of localized promotion, achieving alignment between products and European market demand, and enabling rapid response to market dynamics. These efforts have driven widespread adoption and deep penetration of products across Europe.

Beyond Europe, leveraging the strong brand influence and mature product customization capabilities accumulated in the European market, the Group adopted an integrated promotion model of “online precise communication + offline deep implementation.” Upholding the core principle of “maximizing satisfaction of customers’ core needs and creating sustainable commercial value for customers,” the Group fully utilized its core strengths in integrating China’s automotive industry supply chain and industrial chain resources to actively explore high-potential markets in South America, Africa, Central Asia, the Middle East, and other regions, achieving significant results. These accomplishments have accumulated rich customer resources and market experience for continued business expansion, established a solid market foundation, and continued to enlarge and deepen the Group’s global market footprint.

Focus on Product Strategy and Achievement of Regulatory Milestones

In 2025, the Group consistently adhered to the product strategy of “focusing on core products and striving for excellence,” concentrating resources on promoting and delivering value through three main electric vehicle models, building core product competitiveness, and precisely addressing diverse global market demands.

To date, the Group has successfully completed regulatory approval processes in major European markets, including Germany, France, Italy, Switzerland, Austria, and the Czech Republic. Product indicators strictly comply with Europe’s stringent industry standards and environmental requirements. This not only ensures compliant launch and orderly promotion in the European market but also provides solid support for the Group’s strategic expansion and deep brand cultivation in Europe, demonstrating the outstanding quality and technical strength of the Group’s products.

At the same time, building on the high recognition of European standards and their global influence, the Group actively promoted product adaptation to regulatory requirements in various non-European regions, successfully completing local regulatory approvals and achieving local sales and registration in multiple countries outside Europe. These achievements have effectively broken down regional market access barriers, cleared key bottlenecks for global product rollout, facilitated smooth promotion and deep market penetration in those regions, and laid a strong foundation for targeted marketing, expanded global brand influence, and enhanced core competitiveness— providing strong assurance for the continued deepening and high-quality development of the Group’s global business.



Brand Enhancement and Product Promotion

To further elevate the Group's global brand awareness, reputation, and influence, support deeper channel development, and promote product market penetration, in 2025 the Group proactively built brand display and communication platforms and actively participated in various globally renowned automotive exhibitions and high-end industry events, showcasing the Group's product advantages, technical strength, and brand philosophy from multiple angles. Key activities included:

- In February 2025, participation in the Paris Rencontres Flotauto trade exhibition, precisely connecting with procurement executives and public fleet managers from various European countries. The Group prominently displayed its latest developed electric vehicle models, fully highlighting core technical advantages, intelligent features, and environmental value. The event received coverage from over 250 mainstream global media outlets, effectively enhancing brand visibility and marketing effectiveness, and accumulating strong goodwill for subsequent business expansion and customer cooperation.
- In July 2025, participation in the Lamborghini Super Trofeo Asia Challenge held in Korea, demonstrating the Group's commitment and technical pursuit in the high-performance electric vehicle segment. Leveraging the high-end influence of the racing platform, the Group increased brand exposure and professional recognition in the global automotive and motorsport fields, expanding high-end industry networks and further strengthening the brand's professional image and technical reputation.
- In July 2025, in collaboration with local senior industry professionals and core partners, the Group participated in the opening of a brand experience store in Armenia, deepening local market presence and strengthening emotional connections with local consumers. In September, November, and December 2025, thematic test-drive events were held in Germany, Austria, and France respectively, allowing local consumers to experience the outstanding performance, comfort, and intelligent advantages of the Group's products at close range, reinforcing brand recognition and improving product conversion efficiency.

Furthermore, the Group places high importance on localized brand communication, adhering to the principle of "tailored to local conditions and precise reach." This is achieved through operating localized Hudson brand websites, deep participation in local industry exchanges and public welfare activities, diversified social media marketing on mainstream local platforms such as LinkedIn and Facebook, and establishing deep cooperation with mainstream local media for targeted promotional campaigns. These efforts continuously strengthen brand communication and emotional bonds with local consumers, dealers, and partners, steadily enhancing brand affinity and market acceptance, and injecting strong brand momentum into the Group's ongoing business expansion.

Through the implementation of the above strategic initiatives, the Group successfully achieved a strategic breakthrough in the European market in 2025 and continued to expand its electric vehicle business globally. In an increasingly competitive electric vehicle industry environment, the Group has firmly seized global market opportunities through innovative products, efficient marketing models, and in-depth localized deployment.

For our Maserati dealership business in PRC, reference is made to the announcement of the Company dated 28 April 2025 in relation to the business update of the Group's Maserati dealership business, the Group has terminated the car dealership business in Wuhan.

Financial Investments and Services

The Group holds a valid money lender license and successfully renew the license in January 2025. The Group also has adequate infrastructure to support the financial services division such as subscribing to the World-Check database system operated by Reuters to conduct comprehensive background checks of the borrowers and security providers.

To cope with the recent susceptible market sentiments and market volatility, the Group has continued to adopt a prudent and cautious approach to balance the return and risk of the financing activities. As at 31 December 2025 and 2024, the Group did not have any outstanding secured loan lent to customers.

OUTLOOK

Building on 2025 achievements, the Group remains committed to sustainable growth in the electric vehicle sector. Despite ongoing economic uncertainties, geopolitical risks, and industry challenges, management will adopt a cautious approach, emphasising prudent capital management, strict cost control, and enhanced operational efficiency to strengthen financial resilience.

Going forward, the Group will continue to follow its core philosophy of "innovation-driven, global layout, customer-centric", focusing on improving product competitiveness, expanding its global presence, and strengthening brand influence. Through these efforts, the Group aims to navigate the evolving market environment responsibly and pursue sustainable long-term development in the global electric vehicle industry.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Disclosure under Rule 14.36B

References are made to the announcements of the Company dated 11 September 2024, 21 October 2024 and 29 October 2024.

Management Discussion and Analysis



On 11 September 2024, Racing Time Limited ("**Racing Time**"), an indirectly wholly-owned subsidiary of the Company, entered into a sale and purchase agreement (the "**Sale and Purchase Agreement**") with Power Sky Investments Limited, AB Holding Limited and Red Maple Holdings Limited (together the "**Vendors**") pursuant to which Racing Time conditionally agreed to acquire, and the Vendors conditionally agreed to sell the entire issued share capital of Hudson Holding Limited (the "**Sale Shares**"), at a consideration of HK\$165,900,000 (the "**Consideration**"), which shall be settled (a) as to HK\$104,000,000 by the issue and allotment of the 800,000,000 consideration shares of the Company (the "**Consideration Share(s)**") to the Vendors at the issue price of HK\$0.13 per Consideration Share and (b) as to the remaining balance of HK\$61,900,000 by the issue of the promissory notes (the "**Promissory Notes**") in the principal amounts by Racing Time to the Vendors (the "**Acquisition**"). Hudson Holding Limited is a company incorporated in Samoa with limited liability and is principally engaged in investment holding and its subsidiaries are engaging in research and development, as well as the production and export of electric vehicles to the European market.

On 29 October 2024, Completion of the Acquisition has taken place. The Company issued (a) the 800,000,000 Consideration Shares to the Vendors and (b) the Promissory Notes to the Vendors.

Pursuant to the Sale and Purchase Agreement, the Vendors irrevocably and unconditionally warrant and guarantee to Racing Time that the consolidated revenue of Hudson Holding Limited and its subsidiaries (the "**Hudson Group**") for the financial year or period commencing from 1 January 2025 to 31 December 2025 or an earlier date of fulfilment of the 2025 Guaranteed Revenue (whichever is the earlier) (the "**Guaranteed Period**"), prepared in accordance with the Hong Kong Financial Reporting Standards will not be less than RMB422,243,785 (equivalent to approximately HK\$464,468,000) (the "**2025 Guaranteed Revenue**"). In the event that the actual consolidated revenue of the Hudson Group during the Guaranteed Period is less than the 2025 Guaranteed Revenue, Racing Time shall be compensated by the Vendors (in proportion to their respective Sale Shares sold to Racing Time) in according to a prescribed formula pursuant to the terms of the Sale and Purchase Agreement. The compensation amount shall first be offset by the Consideration Shares. The residual amount (if any) of the compensation amount shall then be offset by the face value of the Promissory Notes.

Given the potential adjustment on the Consideration, on 29 October 2024, each of the Vendors, Racing Time and VMS Securities Limited (the "**Escrow Agent**") entered into the escrow letter, pursuant to which the Consideration Shares and Promissory Notes shall be held by the Escrow Agent.

The consolidated revenue of the Hudson Group for the financial year ended 31 December 2025 in accordance with the Hong Kong Financial Reporting Standards amounted to RMB62,888,463. As compared with 2025 Guaranteed Revenue, there is a shortfall amount of RMB359,355,322. Racing Time shall be compensated by an amount equals to HK\$141,191,061 which shall be first offset by transferring the Consideration shares held by Escrow Agent and the remaining balance by deducting from the Promissory Notes.

The management of the Company will discuss with the Vendors regarding the arrangement of the compensation. The Company will comply with the disclosure requirements under Rule 14.36B of the Listing Rules as and when appropriate.

Save as disclosed above, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures during the Reporting Period.



DIRECTORS PROFILES

EXECUTIVE DIRECTORS

Mr. CHONG Tin Lung Benny

Executive Director, Executive Chairman and Chief Executive Officer

Mr. CHONG Tin Lung Benny, aged 53, has been appointed as an Executive Director of the Company with effect from 13 June 2013. He is also the Executive Chairman, Chief Executive Officer, the chairman of each of the Nomination Committee and Executive Directors' Committee and a member of the Remuneration Committee. Mr. Chong is a director of certain subsidiaries of the Company. Mr. Chong served as the Vice-Chairman of the Company for the period from 13 June 2013 to 24 October 2013 and the chairman of the Financial Control Committee for the period from 13 June 2013 to 28 March 2019. He is the founder and chairman of VMS Investment Group Limited ("**VMSIG**"), a substantial shareholder of the Company. Mr. Chong is currently an executive director and chairman of the board of NEWTON RESOURCES LTD. (a company listed on the Main Board of the Stock Exchange, Stock Code: 1231). Mr. Chong has accumulated over two decades of experience in the financial and investments industry. VMSIG is the holding company of a group of companies principally engaged in the provision of proprietary investments and private equity. Mr. Chong is a Chartered Financial Analyst. He obtained a Bachelor of Commerce from the University of Toronto in 1994 and a Master of Science in Investment Management from the Hong Kong University of Science and Technology in 2000. Mr. Chong was subject to a reprimand by the SFC in 2003. For details, please refer to the Company's announcement dated 13 June 2013. No prosecution has been brought against Mr. Chong as a result.

Mr. LI Shaofeng

Executive Director

Mr. LI Shaofeng, aged 59, has been appointed as an Executive Director of the Company with effect from 28 February 2023. Mr. Li is a director of certain subsidiaries of the Company. He has obtained a bachelor degree in Automation from the University of Science and Technology Beijing. Mr. Li has more than 20 years of extensive experience in management of listed companies, mergers and acquisition and investments, and has a deep understanding in the automotive and components market. Prior to joining the Company, Mr. Li has served as a director of eight companies listed on Stock Exchange including but not limited to Shoucheng Holdings Limited (Stock Code: 697), Shougang Fushan Resources Group Limited (Stock Code: 639), Shougang Century Holdings Limited (Stock Code: 103) and Beijing West Industries International Limited (Stock Code: 2339) from March 2000 to October 2019. Mr. Li was a non-executive director of Mount Gibson Iron Limited (Australian Securities Exchange: MGX), a company listed on the Australian Securities Exchange Limited from February 2012 to December 2019.

Directors Profiles



Mr. LIN Chun Ho Simon

Executive Director

Mr. LIN Chun Ho Simon, aged 48, has been appointed as an Executive Director of the Company with effect from 13 June 2021. He is also a member of Executive Directors' Committee and the Chief Financial Officer of the Group (the Company and its subsidiaries). Mr. Lin joined the Group since July 2005, and has been appointed as Chief Financial Officer since 2017. He oversees the treasury management, financial reporting, risk management, mergers and acquisitions and company secretarial matters of the Group. He is also currently a director of certain subsidiaries of the Company. Mr. Lin has over 20 years of experience in accounting, financial management and auditing. Mr. Lin obtained a Master of Corporate Governance with distinction in 2020 and a Bachelor's Degree of Accountancy from the Hong Kong Polytechnic University in 2000. He is also a fellow of the Association of Chartered Certified Accountant, a fellow of the Hong Kong Institute of Certified Public Accountants, an international associate of the American Institute of Certified Public Accountant and is a fellow member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in United Kingdom.

Mr. ZHANG Kun, aged 45, has been appointed as an Executive Director of the Company with effect from 4 February 2026. He obtained a Bachelor of Science in Business Administration degree with a major in management from the University of Central Missouri in December 2004. Mr. Zhang has more than 20 years' experience in the financial industry. Mr. Zhang was an investment researcher at Merrill Lynch, Pierce, Fenner & Smith Incorporated. from September 2005 to October 2006, a financial advisor at Ameriprise Financial, Inc. from October 2006 to July 2007, the managing director of Chesapeake Investment Management LLC from August 2007 to July 2010, the chief executive officer of Sun Capital Management LLC from October 2010 to February 2022 and a board member of Pacific Gate Capital Management, LLC from April 2017 to July 2019. Since July 2020, Mr. Zhang has been the managing director of ZH Investments LLC. From September 2023 to August 2025, Mr. Zhang has been the chief executive officer of B-On Global S.à r.l. subsidiaries in Asia and since August 2025, Mr. Zhang has been the co-chief executive officer of B-ON Global S.à r.l. and class A manager of the board.

NON-EXECUTIVE DIRECTOR

Ms. HANG Qingli

Non-executive Director

Ms. HANG Qingli, aged 51, has been appointed as a Non-executive Director of the Company with effect from 26 November 2024 and a member of the Nomination Committee on 1 July 2025. Ms. Hang graduated from Shanghai Jiao Tong University in the People's Republic of China with a bachelor's degree in applied mathematics in 1995 and obtained a master's degree in business administration from the University of Pennsylvania in 2006. From 2019 to 2023, Ms. Hang worked at McKinsey & Company, a reputable international consultancy firm, with her last role as a manager. She has extensive experience and knowledge in business consulting, planning and implementation, especially in the areas of business growth and strategic development, environmental, social and governance initiatives, transformation of operation model, succession planning and business sustainability with clients served covering industries such as steel and mining, automotive and high-technology. Prior to that, Ms. Hang worked in the group companies of Shougang Group Co., Ltd.* (首鋼集團有限公司) ("**Shougang**") as an assistant general manager from 2010 to 2018 and as a senior manager from 2018 to 2019. She acquired vast experience in strategic planning, investment and acquisition and operation optimisation during her tenure of services with Shougang. She worked in Bekaert Management (Shanghai) Co., Ltd.* (貝卡爾特管理(上海)有限公司) ("**Bekaert**"), a multi-national corporation, as a manager of the China strategic development department and business development director from 2006 to 2010. Bekaert provided services to tire companies in China, which represented an important part of the automotive supply chain. She was also a manager and a senior manager in multi-national corporations from 1995 to 2010. Since July 2024, Ms. Hang has been an independent non-executive director of Newton Resources Ltd, a company listed on the Main Board of the Stock Exchange (Stock Code: 1231).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. KONG Kai Chuen Frankie

Independent Non-executive Director

Mr. KONG Kai Chuen Frankie, aged 62, has been appointed as an Independent Non-executive Director of the Company with effect from 21 June 2013. He is also the chairman of the Audit Committee and a member of each of the Nomination Committee and the Remuneration Committee. Mr. Kong is currently an independent non-executive director of Ka Shui International Holdings Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 822) and a consultant of CCT Consultants Limited. He is an associate of the Hong Kong Institute of Certified Public Accountants and a fellow of the Chartered Association of Certified Accountants (the United Kingdom). Mr. Kong has accumulated over 30 years' experience in accounting, auditing, corporate finance and project administration mostly from Hong Kong listed companies and multinational business conglomerates.

* For identification purpose only

Directors Profiles



Mr. TO Chun Wai

Independent Non-executive Director

Mr. TO Chun Wai, aged 70, has been appointed as an Independent Non-executive Director of the Company with effect from 1 September 2020. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee. Mr. To is at present an independent non-executive director of each of Greenheart Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 94), ISP Holdings Limited (formerly known as Synergis Holdings Limited) (a company listed on the Main Board of the Stock Exchange, Stock Code: 2340 and DeTai New Energy Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 559). Mr. To spent most of his career with the Hong Kong Police, beginning in 1974 and rising up the ranks to Assistant Commissioner (Crime), being responsible for the overall charge of policy designs and operations of, among others, the Commercial Crime Bureau, Organized Crime & Triad Bureau, Criminal Intelligence Bureau, Financial Investigation Bureau (anti money-laundering), and Technology Crime Bureau, until his retirement in 2011. Mr. To was awarded the Police Meritorious Service Medal by the Chief Executive of the Hong Kong Special Administrative Region, in recognition of his long and staunch service and contribution to the Hong Kong society. From 2011 to 2012, he served as a part-time tutor at the University of Hong Kong. Between April 2013 and August 2018, he served as the chief strategic officer, chief operating officer, and a non-executive director of Integrated Waste Solutions Group Holdings Limited ("IWS") (a company listed on the Main Board of the Stock Exchange, Stock Code: 923), and sat on both the remuneration and nomination committees of IWS during his tenure of services. He also served as an independent non-executive director of Nova Group Limited (a company listed on the Main Board of the Stock Exchange, Stock Code: 1360) from May 2023 to August 2025. Mr. To has wide administrative and management experiences in both the public and private sectors, and holds a master degree of public administration from the University of Hong Kong.

Dr. SHAM Chung Ping Alain

Independent Non-executive Director

Dr. SHAM Chung Ping Alain, aged 71, has been appointed as an Independent Non-executive Director of the Company with effect from 24 May 2023. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. He is currently a practicing barrister in Hong Kong. He has been admitted as a barrister of High Court of Hong Kong in 1986, a barrister of High Court of Australia in 1991, and a barrister and solicitor of the Supreme Court of the Australian Capital Territory (ACT) in 1991. He was awarded the Bronze Bauhinia Star by the government of Hong Kong in April 2016. He has been elected as a fellow of Society for Advanced Legal Studies (SALS), England in October 2002. Between May 1978 and March 2016, Dr. Sham worked for the government of Hong Kong, including the Department of Justice, with his last position as deputy director of public prosecutions. He has been an honorary advisor of the Staff Training Institute of Correctional Services Department since 2018. Dr. Sham obtained a bachelor degree of social science from The Hong Kong University in November 1978, a bachelor degree of laws from The University of Buckingham in February 1984, a postgraduate diploma in law and practice from The City University London in October 1985, a master degree of laws in Chinese law from The University of Hong Kong in December 2004 and a doctorate degree of laws* (法學博士) from China University of Political Science and Law in June 2005. Dr. Sham was an independent non-executive director of SEM Holdings Limited (Stock Code: 9929), a company listed on The Stock Exchange of Hong Kong Limited, from 22 January 2020 to 5 May 2023. Dr. Sham was also a director of The China Social and Legal Research Fund Company Limited, a company incorporated in Hong Kong limited by guarantee.

* For identification purpose only

DIRECTORS' REPORT

The Directors present this Report and audited consolidated financial statements of the Group for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities and other particulars of the principal subsidiaries are set out in note 44 to the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group and a discussion and analysis of the Group's performance during the year ended 31 December 2025, a discussion on the Group's future business development and outlook of the Group's business are provided in the sections headed "Chairman's Statement" on page 4 and "Management Discussion and Analysis" on pages 5 to 16 of this Report respectively. These discussions form part of this Directors' Report.

Financial key performance indicators

	2025 HK\$'000	2024 HK\$'000	Change percentage
Total Revenue	96,441	31,322	207.90%
Loss before taxation	(99,422)	(97,631)	-1.83%
Bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes	502,643	481,614	4.37%
Equity attributable to owners of the Company	126,020	212,587	-40.72%
Loss per Share – Basic	(HK\$1.87 cent)	(HK\$1.93 cent)	-3.10%
Loss per Share – Diluted	(HK\$1.87 cent)	(HK\$1.93 cent)	-3.10%
Dividend per Share	0	0	0%
Dividend pay-out ratio	0%	0%	0%
Debt-to-equity ratio	266.1%	180.0%	47.83%

Possible Risks and Uncertainties

Description of possible risks and uncertainties are provided in the sections headed "Chairman's Statement" on page 4, "Management Discussion and Analysis" on pages 5 to 16 and "Corporate Governance Report – Risk Management and Internal Control" on pages 51 to 53, respectively.



Compliance with Laws and Regulations

As at 31 December 2025 and up to the date of this Report, the Board was unaware of any non-compliance with the applicable laws and regulations, which included the Companies Act of Bermuda, the Listing Rules, Personal Data (Privacy) Ordinance, other laws and regulations that have a significant impact on the Company.

Staff Activities

The Group strives to help our employees to maintain a balance between their work and personal lives. In 2025, a couple of events were organised and they were all received by employees.

Environment

The Group recognizes the importance of environmental protection. Being a responsible company, we continue operating in a more environmental-friendly approach by using fewer natural resources, saving energy and reducing waste.

Corporate Social Responsibilities

Cherishing the idea of social commitment, we are dedicated to fulfilling our duties to the Shareholders, living up to the trust of our customers, benefiting our principal partners and contributing, with gratitude to our employees.

With the aim of delivering value to our Shareholders, customers and employees, we are also concerned about social well-being and so we always endeavor to fulfill our social responsibilities, thus creating a win-win situation for all stakeholders. Over the past years, the combination of responsible disposal of chemical wastage pursuant to government regulations, effective customer satisfaction index survey, energy conservation and proactive participation in local charity causes have achieved positive results.

Other information in relation to corporate social responsibilities are provided in the section headed "Environmental, Social, and Governance Report" on pages 60 to 105 of this Report.

Waste Disposal

All chemical by-products from our operations are handled and processed by government approved licensed partners to minimize the negative impact on the environment. In addition, these partners are evaluated by us on a regular basis to ensure that the services promised are duly delivered.

Energy Conservation

Re-investments in the latest equipment, building renovations and I.T. infrastructures resulted in significant reduction in our carbon footprint and healthier workshop place for both our customers and employees.

Customer Satisfaction and Protection

Comprehensive surveys and subsequent analysis on customer satisfaction allow us to keep our finger on the pulse of our customers, enabling us to create, modify or eliminate types of services offered to effectively and efficiently serve our clients. Moreover, we highly respect our customers' personal data and have devised a privacy policy on how we handle customers' personal data.

Business Partners

Our business partners set strict operational and financial standards for their network of authorized dealers. These standards are also audited by them regularly and we strictly comply with.

Awards

The Group has been awarded the Caring Company Logo 2025/26, launched by The Hong Kong Council of Social Service, the Caring Company Logo is awarded to companies which demonstrate good corporate citizenship. It aims to promote corporate social responsibility through caring for community, employees and the environment.

Future development and important events after the end of the financial year

Details of future development and important events of the Group after the end of the financial year are provided in the sections headed "Chairman's Statement" on page 4 and "Management Discussion and Analysis" on pages 5 to 16, respectively.

SEGMENTAL INFORMATION

Details of segmental information are set out in note 6 to the consolidated financial statements.



FINANCIAL STATEMENTS

The financial results of the Group for the year ended 31 December 2025 and the state of the Company and the Group's affairs as at that date are set out in the consolidated financial statements on pages 111 to 194 of this Report.

GROUP FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 195.

DIVIDEND POLICY

The dividend policy aims to set out the policy of the Company for the monies to be paid out to the Shareholders in dividend. The Company maintains a reasonable pay-out ratio situation. In the reasonable pay-out ratio situation, the Board considers the financial situation of the Company and maintains a reasonable percentage dividend pay-out ratio with a reference of the dividend pay-out ratios in the market, the same industry and the different industries. The dividend policy will be reviewed from time to time so as to keep in line with the future prospects and capital requirements of the Group and the changes in market conditions. The dividend policy of the Company dated 21 December 2018 is available on the Company's website at www.autoitalia.com.hk.

The Board considered the below factors in relation to the payment of the dividends for the year ended 31 December 2025:

- (i) the financial results of the Company for the year end 31 December 2025;
- (ii) the Shareholders' interests;
- (iii) general business conditions and strategies;
- (iv) our capital requirements;
- (v) contractual restrictions on the payment of dividends by the Company to the Shareholders or by the subsidiaries of the Company to the Company;
- (vi) taxation considerations;
- (vii) possible effects on the Company's creditworthiness; and
- (viii) statutory and regulatory restrictions.

DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil). No interim dividend was paid during the year ended 31 December 2025 (2024: Nil).

ANNUAL GENERAL MEETING

The forthcoming AGM will be held on Wednesday, 20 May 2026. For further details of the AGM, please refer to the notice of AGM, which will be despatched to the Shareholders by the means of receipt of communications they selected in due course.

CLOSURE OF REGISTER OF MEMBERS FOR ANNUAL GENERAL MEETING

The record date for determining the eligibility of the Shareholders to attend and vote at the AGM is Wednesday, 20 May 2026. In order to determine the identity of the Shareholders who are entitled to attend and vote at the forthcoming AGM, all transfers accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, 14 May 2026. The register of members of the Company will be closed from Friday, 15 May 2026 to Wednesday, 20 May 2026 (both dates inclusive), during which period no transfer of Shares will be registered.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Share capital of the Company during the year are set out in note 32 to the consolidated financial statements. Information about the Share options of the Company and details of movements in the Share options of the Company during the year are set out in the "Share Option Schemes" section in this Report and in note 34 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 115 and page 194 of this Report respectively.

DISTRIBUTABLE RESERVES

The Company's reserves available for distributions to Shareholders as at 31 December 2025 comprised the Share premium, Share option reserve plus accumulated losses with an aggregate amount of approximately HK\$(231,812,000) (2024: HK\$27,991,000).



PROPERTY, PLANT AND EQUIPMENT

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

DONATIONS

During the year, the Group made charitable and other donations of HK\$2,000 (2024: HK\$Nil).

BANK LOANS, OVERDRAFTS AND OTHER BORROWINGS

Details of the Group's borrowings are set out in notes 27, 28, 29 and 31 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's five largest suppliers accounted for 37.9% of the Group's purchases during the year, 12.3% being attributable to the largest supplier. The percentage of turnover attributable to the Group's five largest customers is 57.4% during the year.

As far as the Directors are aware, no Director, their associates or any Shareholder (who to the knowledge of the Directors owns more than 5% of the Company's Share capital) has interest in the Group's five largest suppliers.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this Report, there was no contract of significance between the Company or any of its subsidiary companies, and a controlling Shareholder or any of its subsidiaries for the year ended 31 December 2025. There was no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries for the year ended 31 December 2025.

DIRECTORS

The Directors who held office during the year and up to the date of this Report are:

Executive Directors

Mr. CHONG Tin Lung Benny (*Executive Chairman and Chief Executive Officer*)

Mr. LI Shaofeng

Mr. LIN Chun Ho Simon

Mr. ZHANG Kun (appointed on 4 February 2026)

Non-executive Director

Ms. HANG Qingli

Independent Non-executive Directors

Mr. KONG Kai Chuen Frankie

Mr. TO Chun Wai

Dr. SHAM Chung Ping Alain

In accordance with Bye-law 99, Mr. CHONG Tin Lung Benny, Mr. LIN Chun Ho Simon and Dr. SHAM Chung Ping Alain shall retire from office by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

In accordance with Bye-law 102, Mr. ZHANG Kun shall retire and, being eligible, offer himself for re-election at the AGM.

The INEDs are also subject to retirement by rotation in accordance with the Bye-laws. The Company has received from each INED a confirmation of his independence pursuant to the independence assessing factors guidelines set out in Rule 3.13 of the Listing Rules. The Company considers the INEDs to be independent.

CHANGES IN INFORMATION OF DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

There are no changes in Directors' information since the disclosure made in interim report of the Company for 2025.

Save as disclosed in this Report, there is no other financial, business, family or other material/relevant relationships among members of the Board and in particular, between the Chairman of the Board, the chief executive and the Directors that is required to be disclosed pursuant to the Corporate Governance Code.

Save as disclosed in this Report, there is no other information required to be disclosed pursuant to Rule 13.51(B)(1).



BIOGRAPHIES OF DIRECTORS

Biographical details of the Directors of the Company are set out on pages 17 to 20 of this Report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who is proposed for re-election at the AGM has an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

EMOLUMENTS OF DIRECTORS

Please refer to note 13 of the consolidated financial statements of this Report for details of the emoluments of the Directors.

The emoluments payable to the Directors are determined with reference to responsibilities, years of service and performance of each individual, the results of the Group and the prevailing market rate.

PERMITTED INDEMNITY PROVISION

Pursuant to the Bye-laws of the Company, every Director and other officers of the Company shall be indemnified and secured harmless out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them shall or may incur or sustain in or about the execution of their duties in their respective duties or in relation thereto.

The Company has taken out and maintained directors' liability insurance throughout the year ended 31 December 2025, which provides appropriate cover for the Directors and the other officers of the Company. Such provisions were in force during the course of the year ended 31 December 2025 and remained in force as of the date of this Report. The insurance coverage is reviewed on an annual basis.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

DIRECTORS' INTERESTS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2025, the interests and short positions of each Director and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO; or are required, pursuant to the Model Code as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange are as follows:

Long positions in the Shares and underlying Shares of the Company

Name of Director	Capacity	Nature of Interest	Number of ordinary Shares held	Approximate percentage of the Company's total issued Shares ^(Note 1)
Mr. CHONG Tin Lung Benny ("Mr. Chong")	Beneficial owner	Personal interest	51,891,000 ^(Note 2)	0.85%
	Interest of controlled corporation	Corporate interest	1,519,016,472 ^(Note 3)	24.93%
Mr. LIN Chun Ho Simon ("Mr. Lin")	Beneficial owner	Personal interest	2,377,500 ^(Note 4)	0.04%
Mr. LI Shaofeng ("Mr. Li")	Beneficial owner	Personal interest	209,000,000 ^(Note 5)	3.43%

Notes:

- The percentage of shareholding is calculated on the basis of the Company's issued share capital of 6,092,515,390 Shares as at 31 December 2025.
- Mr. Chong is beneficially interested in 51,891,000 ordinary Shares.
- VMSIG directly holds 1,214,291,472 Shares (approximately 19.93% of the issued share capital of the Company) and Gustavo International Limited directly holds 304,725,000 Shares (approximately 5.00% of the issued share capital of the Company). Gustavo International Limited is wholly-owned by Maini Investments Limited, Maini Investments Limited is wholly-owned by VMSIG and VMSIG is wholly-owned by Mr. Chong. By virtue of the SFO, Mr. Chong is deemed to be interested in such 24.93% of the issued share capital of the Company.
- Mr. Lin is beneficially interested in 2,377,500 ordinary Shares.
- Mr. Li is beneficially interested in 209,000,000 ordinary Shares.



DIRECTORS' INTERESTS AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Save as disclosed above, as at 31 December 2025, none of the Directors and 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) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' INTERESTS IN ASSETS TRANSACTION AND/OR ARRANGEMENT

At 31 December 2025, none of the Directors had any other direct or indirect interest in any assets which have been acquired or disposed of by or leased to any members of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

At 31 December 2025, there was no other transaction or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group as a whole.

DIRECTORS' INTERESTS IN CONTRACTS

Saved as disclosed in the paragraph headed "**Connected Transaction**" in this Report, no other transactions, agreements or contracts of significance in relation to the Group's business to which the Company or its subsidiaries or holding company was a party and in which any Director or the Director's connected entity had a material interest, whether directly or indirectly, subsisted at the end of or at any time during the Reporting Period.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors (including Independent Non-executive Directors) was interested in any business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business during the year.

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in section of "Share Option Schemes", at no time during the year ended 31 December 2025 was the Company or any of its subsidiaries a party to any arrangements to enable the Directors and chief executive of the Company (including their spouse and children under 18 years of age) to acquire benefits by means of the acquisition of Shares in or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO).

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, so far as is known to the Directors, no other person or corporations (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which were required to be disclosed to the Company 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 under Section 336 of the SFO were as follows:

Long positions in the Shares and underlying shares of the Company

Name of Shareholder(s)	Nature of Interest	Number of Shares	Approximate percentage of the Company's total issued Shares [#]
Gustavo International Limited	Beneficial owner	304,725,000 ^(Note 1)	5.00%
Maini Investments Limited	Interest of controlled corporation	304,725,000 ^(Note 1)	5.00%
VMS Investment Group Limited ("VMSIG")	Beneficial owner and interest of controlled corporation	1,519,016,472 ^(Note 1)	24.93%
Mr. Chong	Interest of controlled corporation	1,519,016,472 ^(Note 1)	24.93%
Power Sky Investments Limited	Beneficial owner	350,000,000 ^(Note 2)	5.74%
Mr. XU Weidong	Interest of controlled corporation	350,000,000 ^(Note 2)	5.74%

[#] Based on the total issued Shares of 6,092,515,390 as at 31 December 2025.



SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES *(Continued)*

Long positions in the Shares and underlying shares of the Company *(Continued)*

Notes:

1. *Gustavo International Limited is beneficially interested in approximately 5.00% of the issued share capital of the Company. Given Gustavo International Limited is wholly-owned by Maini Investments Limited, Maini Investments Limited will be deemed to be interested in approximately 5.00% of the issued share capital of the Company through its controlled corporation, Gustavo International Limited.*

Mr. Chong wholly-owns VMSIG, which directly owns approximately 19.93% of the issued share capital of the Company and indirectly owns approximately 5.00% of the issued share capital of the Company through its wholly-owned subsidiary, Maini Investments Limited. VMSIG is thus interested in a total of approximately 24.93% of the issued share capital of the Company. Mr. Chong is also therefore deemed to be interested in such 24.93% of the issued share capital of the Company.

2. *Power Sky Investments Limited directly holds 350,000,000 Shares. Power Sky Investments Limited is wholly-owned by Mr. XU Weidong. By virtue of the SFO, Mr. XU Weidong is deemed to be interested in the Shares held by Power Sky Investments Limited.*

All interests in Shares and underlying shares of equity derivatives of the Company are long positions. None of the substantial shareholders of the Company held any short positions in the Shares or underlying shares of equity derivatives of the Company.

Save as disclosed above, as at 31 December 2025, the Company had not been notified by any persons or corporations (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying shares of the Company which were required to be disclosed to the Company 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 under Section 336 of the SFO.

SHARE OPTION SCHEMES

Expired Share Option Scheme

The share option scheme (the "**Expired Share Option Scheme**") adopted by the Company on 28 May 2012, expired on 27 May 2022. Save for and except that the rules of the Share Option Scheme remain in full force and effect to the extent necessary to give effect to the exercise of the options granted thereunder prior to its expiry, or otherwise to the extent as may be required in accordance with the rules of the Expired Share Option Scheme. No further options may be granted under the Expired Share Option Scheme upon its expiry. As at 31 December 2025, there was no outstanding Share Options under the Expired Share Option Scheme.

Under the Expired Share Option Scheme, options were granted to certain Directors, employees and other eligible participants of the Company entitling them to subscribe for Shares of HK\$0.02 each in the capital of the Company.

SHARE OPTION SCHEMES (Continued)**Expired Share Option Scheme** (Continued)

Details of the movement in outstanding Share Options, which have been granted under the Expired Share Option Scheme, during the year ended 31 December 2025 were as below:

Name or category of participants	Date of grant (Note 1)	Exercise price (HK\$)	Exercisable Period	As at 1 January 2025	Granted during the period	Exercised during the period	Cancelled/ Lapsed during the period	As at 31 December 2025
(a) Directors								
Mr. CHONG Tin Lung Benny	07/10/2020	0.1754	27/07/2021 to 26/07/2025 (Note 2)	60,000,000	-	-	60,000,000	-
Mr. LIN Chun Ho Simon	27/07/2020	0.1754	27/07/2021 to 26/07/2025 (Note 2)	30,000,000	-	-	30,000,000	-
(b) Other eligible participants								
Consultants of the Group (the "Consultants") (Note 3)	27/07/2020	0.1754	27/07/2021 to 26/07/2025 (Note 2)	90,700,000	-	-	90,700,000	-
Mr. NG Siu Wai ("Mr. Ng") (Note 4)	07/10/2020	0.1754	27/07/2021 to 26/07/2025 (Note 2)	42,000,000	-	-	42,000,000	-
Total				222,700,000	-	-	222,700,000	-



SHARE OPTION SCHEMES (Continued)

Expired Share Option Scheme (Continued)

Notes:

- (1) The closing prices per Share immediately before 27 July 2020 and 7 October 2020 (the dates on which the Share options were granted) were HK\$0.172 and HK\$0.170 respectively.
- (2) Share options granted under the Expired Share Option Scheme on 27 July 2020 and 7 October 2020 shall vest in the grantees in accordance with the timetable below (for this purpose, the date or each such date on which the Share options are to vest being hereinafter referred to as a "Vesting Date"):

Vesting Date	Percentage of Share Options to vest
First anniversary of the Date of Offer (as defined below)	40% of the total number of options
Second anniversary of the Date of Offer	30% of the total number of options
Third anniversary of the Date of Offer	30% of the total number of options

- (3) These share options are conditionally granted on 27 July 2020 (the "Date of Offer") and approved by the Company's special general meeting on 7 October 2020. The Purpose of these share option scheme is to provide incentives to the Consultants to lead, identify and/or exploit business opportunities in the life science sector as, the Consultants are working in the life science business of the Company without being entitled to any fixed salaries or emoluments. The Company considered that this is in line with the objective of the Company's share option scheme to provide incentive rewards to, the Consultants for their contribution to the Group and to retain them to make continuous contribution to the Company.
- (4) Mr. Ng resigned as an executive Director of the Company on 27 July 2023. Pursuant to the service agreement entered between the Company and Mr. Ng on 27 July 2020 (the "Agreement"), the share options granted to Mr. Ng under the Expired Share Option Scheme shall not be lapsed if the Company and Mr. Ng do not enter into a new service agreement after the completion of the service in the Agreement. Mr. Ng had completed the service term commencing from 27 July 2020 to 26 July 2023 as stipulated in the Agreement and no new service agreement was being entered by him and the Company. Therefore, the share options held by Mr. Ng were not lapsed upon his resignation.

Save as disclosed above, no share option was granted or exercised or cancelled or lapsed under the Expired Share Option Scheme for the year ended 31 December 2025.

New Share Option Scheme

References were made to (i) the circular of the Company dated 22 April 2022 in relation to, among other things, the adoption of the new share option scheme ("New Share Option Scheme"), (ii) the poll results announcement of the AGM of the Company dated 25 May 2022, (iii) the announcement of the Company dated 26 November 2021 in relation to the proposed acquisition of VMS Auto Italia Fin Services Holdings Limited by the Company (the "VMS Acquisition"), which constitutes a very substantial acquisition, connected transaction and reverse takeover under the Listing Rules, and (iv) the announcement of the Company dated 25 November 2022 regarding the termination of the VMS Acquisition, including the special mandate in relation to the allotment and issuance of consideration shares would not proceed. The New Share Option Scheme is not effective as a certain condition was not fulfilled.

CONNECTED TRANSACTION

On 13 February 2023, the Company received a financial assistance by way of an unsecured, interest-free loan of RMB10,000,000 from Mr. Chong Tin Lung Benny which was a connected transaction, the details of which is set out in heading under "Loan from a Related Party/a Shareholder" of note 29 to the consolidated financial statements. Pursuant to Rule 14A.90 of Chapter 14A of the Listing Rules, such financial assistance received by the Company from connected party is fully exempt from shareholders' approval, annual review and all disclosure requirements.

On 8 April 2025, the Company received a financial assistance by way of an unsecured loan facility carrying interest rate at 7% per annum of HK\$50,000,000 from VMSIG, the substantial shareholder of the Company, which was a connected transaction. The limit of the loan facility was then increased to HK\$100,000,000 in December 2025. As at 31 December 2025, the outstanding loan amount is HK\$33.3 million comprising principal of HK\$32 million and accumulated interest of HK\$1.3 million. The details of the loan are set out in heading under "Loan from a Related Party/a Shareholder" of note 29 to the consolidated financial statements. Pursuant to Rule 14A.90 of Chapter 14A of the Listing Rules, such financial assistance received by the Company from connected party is fully exempt from shareholders' approval, annual review and all disclosure requirements.

CONTINUING CONNECTED TRANSACTIONS

Framework Agreement

On 17 February 2023, the Company entered into a framework agreement (the "**Framework Agreement**") with 運天(中國)投資有限公司 (CTF Automobile (China) Investment Co., Ltd) ("**CTF Automobile**", and together with its subsidiaries, the "**CTF Automobile Group**") in relation to the purchases of cars and auto parts of the brand Maserati® (the "**Automobiles**").

The CTF Automobile Group has substantial car dealership experience in the PRC. Upon customers' requests for a selected model/type of the Automobiles that the Group may not have, the Group shall be able to source it from the CTF Automobile Group. On the other hand, if the CTF Automobile Group has customers' requests for a selected model/type of the Automobiles that the CTF Automobile Group does not have, the CTF Automobile Group will try to source it from the Group. The Framework Agreement will create synergy between the CTF Automobile Group and the Group. Each of the Group and the CTF Automobile Group will enhance its customer experience by providing effective services. Through the strategic cooperation under the Framework Agreement, the Group and the CTF Automobile Group will be able to leverage on each other's strength to capture more business opportunities.

CTF Automobile holds 49% of the entire equity interests of 武漢駿意汽車銷售服務有限公司 (Wuhan Junyi Cars Sales & Service Company Ltd) ("**Wuhan Junyi**"), a non-wholly owned subsidiary of the Company. CTF Automobile is a substantial shareholder of Wuhan Junyi and hence a connected person at the subsidiary level of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. By virtue of Rule 14A.101 of the Listing Rules, the Framework Agreement and the transactions contemplated thereunder were subject to the reporting and announcement requirements but exempted from the circular, independent financial advice and the Shareholders' approval requirements under Chapter 14A of the Listing Rules.



CONTINUING CONNECTED TRANSACTIONS *(Continued)*

Framework Agreement *(Continued)*

The principal terms of the Framework Agreement are summarized below:

- Term: From the date of the Framework Agreement to 31 December 2025.
- Subject: (i) The purchases of the Automobiles by the CTF Automobile Group from the Group (the "**CTF Automobile Purchases**"); and
- (ii) The purchases of the Automobiles by the Group from the CTF Automobile Group (the "**Group Automobile Purchases**").

Pricing policy: The consideration of the purchase of Automobiles will be determined after arm's length negotiations with reference to the average market price of the Automobiles quoted by the independent third parties of the Group.

For the Group Automobile Purchases, the Group will ensure that the terms and price of the Automobiles purchased from the CTF Automobile Group are no less favourable to the Group than such terms and price offered by the independent third parties.

For the CTF Automobile Purchases, the Group will ensure that the terms and price of the Automobiles sold to the CTF Automobile Group are more favourable to the Group than such terms and price sold to the independent third parties.

Annual caps: The annual cap for the total consideration of the Group Automobile Purchases payable by the Group to the CTF Automobile Group for each of the three years ending 31 December 2025 will not exceed RMB52,000,000, RMB50,000,000 and RMB40,000,000 respectively.

The annual cap for the total consideration of the CTF Automobile Purchases payable by the CTF Automobile Group to the Group for each of the three years ending 31 December 2025 will not exceed RMB30,000,000.

Other details of the Framework Agreement are disclosed in the announcement of the Company dated 17 February 2023.

The total consideration of the Group Automobile Purchases paid by the Group to the CTF Automobile Group for the year ended 31 December 2025 amounted to RMB0. The total consideration of the CTF Automobile Purchases paid by the CTF Automobile Group to the Group for the year ended 31 December 2025 amounted to approximately RMB77,800.

The Framework Agreement and the transactions contemplated thereunder also constitutes related party transactions of the Company, the details of which are set out in note 39 to the consolidated financial statement.

CONTINUING CONNECTED TRANSACTIONS *(Continued)*

Escrow Letter

As disclosed in the paragraph under the heading "Material Acquisition and Disposals of Subsidiaries, Associates and Joint Ventures" in the section of "Management Discussion and Analysis" of this Report, on 29 October 2024, each of the Vendors, Racing Time and the Escrow Agent entered into the Escrow Letter, pursuant to which the Consideration Shares and Promissory Notes shall be held by the Escrow Agent. The Escrow Agent is indirectly owned (i) as to 92% by Ms. MAK Siu Hang Viola ("**Ms Mak**"), the mother of Mr. Chong; and (ii) as to 8% by Mr. Chong. The Escrow Agent, being a company majority-owned by Ms. Mak, is an associate of Mr. Chong, and a connected person of the Company under the Listing Rules. Accordingly, the entering into of the Escrow Letter constitutes a connected transaction. Pursuant to Rule 14A.76(1) of Chapter 14A of the Listing Rules, as all the percentage ratios (other than the profit ratio) are less than 5% and the total consideration is less than HK\$3,000,000, the entering into of the Escrow Letter falls below the de minimis threshold and was fully exempt from independent shareholders' approval, annual review, and all disclosure requirements.

The total consideration of the service fee paid by Racing Time to the Escrow Agent for the year ended 31 December 2025 amounted to HK\$180,000 (2024: HK\$31,450).

The entering into of the Escrow Letter also constitutes a related party transaction of the Company, the details of which are set out in note 39 to the consolidated financial statement.

The independent non-executive Directors have reviewed the aforementioned continuing connected transactions and confirmed that the transactions were entered into:

- i. in the ordinary and usual course of business of the Group;
- ii. on normal commercial terms or better; and
- iii. according to the agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.



CONTINUING CONNECTED TRANSACTIONS *(Continued)*

The auditor of the Company has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions relating to the Framework Agreement and the transactions contemplated therein disclosed by the Group in this Report in accordance with Rule 14A.56 of the Listing Rules. The auditor has confirmed that nothing has come to their attention that causes them to believe that such continuing connected transactions:

- (1) have not been approved by the Company's board of directors;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of goods or services by the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have exceeded the annual caps as set by the Company.

In the opinion of the Board, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the continuing connected transactions entered into by the Group during the Reporting Period as mentioned above.

PUBLIC FLOAT

At the date of this Report, based on information that is publicly available to the Company, the Directors acknowledge that more than 25% of the issued share capital of the Company is held by the public.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-laws or the laws in Bermuda although there is no restriction against such rights under the laws in Bermuda.

AUDITOR

During the year ended 31 December 2025, Messrs. Deloitte Touche Tohmatsu was re-appointed as auditor of the Group to hold office until the conclusion of the AGM.

There has been no change in the Company's auditor in any of the preceding three years.

The financial statements for the year were audited by Messrs. Deloitte Touche Tohmatsu who will retire at the AGM and being eligible, offer itself for re-appointment.

For and on behalf of the Board

CHONG Tin Lung Benny

Executive Chairman and Chief Executive Officer

Hong Kong, 27 March 2026

CORPORATE GOVERNANCE REPORT



PURPOSE, CULTURES AND VALUES

The Board has established the Group's purpose, values and strategy and ensures that aligned with the Group's culture. The Company's purpose is to bring long-term returns to Shareholders, and committed to building a viable business with sustainable growth.

The Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects. To ensure the Company's work aligns with the organization purpose, values, and business strategies, the Board is responsible for fostering a corporate culture.

Culture of Accountability

The Group established an organizational structure with proper segregation of duties to govern our business operations and to ensure alignment with our corporate strategy and culture. Meanwhile, we encourage teamwork and collaboration to develop trust and accountability.

Culture of Integrity

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the anti-fraud and anti-corruption policy and the whistleblowing policy of the Group and the Group's employee handbook. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity. In additions, in order to help the new employees to adapt the company culture, the Group arranges various onboarding training activities to them.

Culture of Care

The Group believes that the culture of care is essential to workforce development and sustainability. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work.

Environmental Friendly Culture

The Group endeavors to cultivate a greener corporate culture by creating awareness and encouraging our employees to control our operation's carbon footprint to enhance our stakeholders' and communities' long-term value.

CORPORATE GOVERNANCE

Maintaining an effective corporate governance framework is one of the priorities of the Company. In the opinion of the Directors, the Company had complied with all the Code provisions of the CG Code throughout the year ended 31 December 2025, except for the deviation of code provision C.2.1 of the CG Code which is explained in the sub-section headed “**Chairman and Chief Executive Officer**” below.

The corporate governance principles of the Company emphasize a quality board, sound internal control, and transparency and accountability to all Shareholders. The Board will continue to review and improve the corporate practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for the Shareholders.

THE MODEL CODE

The Company has adopted the Model Code set out in Appendix C3 of the Listing Rules as standard for dealings in securities of the Company by the Directors. Having made specific enquiry of all Directors, during the year ended 31 December 2025, the Directors confirmed that they have complied with the standards set out in the Model Code.

THE BOARD OF DIRECTORS

We are governed by the Board which assumes the responsibility for leadership and control of the Company. Our Directors are collectively responsible for promoting the success of the Company by directing and supervising the affairs of the Company.

As at the date of this Report, the Board comprises eight members, of whom four are Executive Directors, one is Non-executive Director and three are INEDs.

Directors who held office during the year ended 31 December 2025 and up to the date of this Report are:

Executive Directors

Mr. CHONG Tin Lung Benny (*Executive Chairman and Chief Executive Officer*)

Mr. LI Shaofeng

Mr. LIN Chun Ho Simon

Mr. ZHANG Kun (appointed on 4 February 2026)

Non-executive Director

Ms. HANG Qingli

Independent Non-executive Directors

Mr. KONG Kai Chuen Frankie

Mr. TO Chun Wai

Dr. SHAM Chung Ping Alain



THE BOARD OF DIRECTORS *(Continued)*

The Listing Rules require every listed issuer to have INEDs who represent at least one-third of the Board, at least one of whom must have appropriate professional qualifications, or accounting or related financial management expertise. Mr. KONG Kai Chuen Frankie, one of the INEDs, is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. The Company has received from each INED an annual confirmation of his independence. The Board considers that all INEDs meet the independence criteria as set out in Rule 3.13 of the Listing Rules annually.

None of Directors has any family, financial or business relations with each other.

The Board has established mechanisms to ensure independent views and input are available to the Board. The current composition of the Board has an independence element and provides sufficient balance of skills, experience and diversity of perspectives in leading the Company to achieve its goal. The independent non-executive Directors also exercise objective independent judgment in the Board's overall decision making process. The Board will seek advice from external advisors including legal and other professional advisors, if necessary, to facilitate formulating important and independent decisions. The Board has reviewed the implementation and effectiveness of the board independence mechanisms for the year ended 31 December 2025 and considered them to be effective.

The biographies of our Directors are set out in the section headed "**Directors Profiles**" in this Report. Details of the biographies of the Directors seeking re-election at the AGM are set out in the circular issued by the Company and sent to our Shareholders together with this Report.

The Company also maintains on its website (www.autoitalia.com.hk) an updated biography of each Director. A list of Directors and their roles and functions has also been published on the websites of the Company and the Stock Exchange respectively.

The Board meets regularly, normally four times each year and additional meetings will be arranged if and when necessary. Notice of each regular Board meeting will be given to all Directors at least 14 days before the meeting. Special Board meetings will be held as and when necessary. Matters on transactions with conflicting interests with a substantial shareholder or a Director where Directors considered such conflict of interest to be material will not be dealt with by way of written resolutions and a separate Board meeting shall be held where INEDs who have no material interests shall be present in the meeting. In addition, Directors considered having conflict of interests or material interests in the matters before the Board are required to declare their interests and abstain from voting for the relevant resolution.

Appropriate notices are given to all Directors for attending regular Board meetings and other meetings. A package containing agenda and all the relevant information is normally despatched to the Directors 3 days in advance of the relevant meetings.

Board meetings involve the active participation, either in person or through electronic means of communication, of a majority of Directors. The Company Secretary assists the Executive Chairman in preparing the meeting agenda, and each Director may request the inclusion of items in the agenda.

Directors are also consulted on matters to be included in the agenda for all regular Board meetings.

THE BOARD OF DIRECTORS *(Continued)*

Minutes of the Board meetings are recorded in detail and draft minutes are circulated to all Directors for review and comment within a reasonable time after the Board meetings are held. All the minutes of the meetings are properly kept by the Company Secretary after approval and are available for inspection following reasonable notice by the Directors.

The Board may delegate the management powers to the management of the Company. However, the delegation of power does not absolve the Directors from their responsibilities of exercising requisite skill, care and diligence in overseeing the performance of the Company. The Board can meet the management of the Company from time to time to discuss the operating issues of the Group.

During the year 2025, the Board had conducted four meetings and passed nine written resolutions. In addition to general matters such as considering and approving the annual results of the Company for the year ended 31 December 2024 the annual report and the ESG report for the year ended 31 December 2024; the re-election of retiring Directors and the matters to be considered at the AGM held on 16 May 2025; the re-appointment of auditor of the Company; the interim results of the Company for the period ended 30 June 2025; and the interim report for the period ended 30 June 2025, the Board also considered other resolutions mainly including the disposal of investments, the renewal of letter of appointment of INEDs, the bonus of Executive Directors for the year 2024 and the entering into loan agreement etc.

According to code provision C.2.7 of the CG Code, the Executive Chairman held a meeting with the INEDs without the presence of other directors during the year.

Chairman and Chief Executive Officer

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

Mr. CHONG Tin Lung Benny is the Executive Chairman and the Chief Executive Officer. Mr. Chong has extensive experience in corporate management and securities investments and is responsible for the overall corporate strategies, planning and business development of the Group. The Board considers that the vesting of two roles in the same person provides our Group with strong and consistent leadership and facilitates the implementation and execution of our Group's business strategy. Although the positions of the Executive Chairman and Chief Executive Officer are not separate, the power and authorities have not been concentrated as all major decisions have been made in consultation with the Board and appropriate Board Committee. The Board believes that a balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high caliber individuals including four Executive Directors (including Mr. CHONG Tin Lung Benny), one Non-executive Director and three Independent Non-executive Directors as at the Latest Practicable Date who offer advices and views from different perspectives. Moreover, the Audit Committee has been provided with sufficient resources to perform its duties, including obtaining outside legal or other independent professional advice when it considers necessary. The Company shall nevertheless review the structure from time to time in light of the prevailing circumstances.



THE BOARD OF DIRECTORS *(Continued)*

Appointments, re-election and removal of Directors

All Directors, including those appointed for a fixed term, are subject to retirement by rotation pursuant to the By-laws. A Director appointed by the Board to fill a casual vacancy or as an addition shall hold office until the next general meeting. According to Code Provision B.2.2 of the CG Code, every director should be subject to retirement by rotation at least once every three years.

DIRECTORS' CONTINUOUS TRAINING AND DEVELOPMENT

Each newly appointed Director would receive an induction package covering the statutory and regulatory obligation of a director of a listed company. Directors may participate in continuous professional development to develop and refresh their knowledge and skills pursuant to code provision C.1.4 of the CG Code, by attending professional courses organised by registered professional bodies such as The Law Society of Hong Kong, the Hong Kong Institute of Certified Public Accountants, and The Hong Kong Chartered Governance Institute, etc. The Directors receive materials on latest changes in applicable legal and regulatory requirements and corporate governance practices from the Company, from time to time to assist them to discharge their duties.

During the year ended 31 December 2025 and up to the date of this Report, all the Directors, namely Mr. CHONG Tin Lung Benny, Mr. LI Shaofeng, Mr. LIN Chun Ho Simon, Mr. ZHANG Kun, Ms. HANG Qingli, Mr. KONG Kai Chuen Frankie, Mr. TO Chun Wai and Dr. SHAM Chung Ping Alain, had participated in appropriate continuous professional development activities by ways of attending trainings organized by professional firm and/or reading materials relevant to the Company's businesses or to the Directors' duties and responsibilities. The Company has arranged for Mr. ZHANG Kun an induction package, including legal advice from a firm of solicitors qualified to advise on Hong Kong law as regards the requirements under the Listing Rules that are applicable to him as a Director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange. Mr. ZHANG Kun has confirmed that he has obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 2 February 2026.

DIRECTORS' AND OFFICERS' LIABILITIES INSURANCE

The Company has also arranged appropriate insurance cover for our Directors in respect of legal actions taken against Directors and officers.

BOARD COMMITTEES

To oversee different aspects of the Company's affairs and to assist in the execution of its responsibilities, the Board has established the following Board Committees namely the Audit Committee, the Remuneration Committee, the Nomination Committee and Executive Directors' Committee. Terms of reference of each of these Committees are available on the Company's website at www.autoitalia.com.hk. All Committees are provided with sufficient resources to discharge their duties, and they are also authorised to obtain external legal or other independent professional advice if they consider it necessary to do so.

BOARD COMMITTEES *(Continued)*

Audit Committee

The members of the Audit Committee comprise Mr. KONG Kai Chuen Frankie, Mr. TO Chun Wai and Dr. SHAM Chung Ping Alain, all of whom are INEDs. Mr. KONG Kai Chuen Frankie is the chairman of the Audit Committee. Mr. Kong, being an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants, has the appropriate professional qualifications and experience in the financial field. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2025 including the accounting principles and practices adopted by the Group, and discussed the risk management, internal control and financial reporting matters during the review. The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company. The terms of reference have included the duties set out in Code Provision D.3.3(a) to (n) of the CG Code.

The principal duties of the Audit Committee should be to make recommendations to the Board on the appointment, re-appointment and removal of the external auditors and their remuneration for audit and non-audit services; to review the effectiveness of the audit process in accordance with applicable standards; to review changes in accounting policies and practices; to review the fairness and reasonableness of any connected transaction; to review the cash flow position of the Group; to review the dividend policy, internal control and risk management systems of the Group and to provide advices and comments to the Board.

During the year 2025, the Audit Committee conducted two meetings and passed three written resolutions. During the year 2025, the Audit Committee had reviewed the audit issues raised by the external auditor; considered and recommended to the Board for adoption of new accounting standards; reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2025; considered the re-appointment of auditor of the Company; reviewed the audited accounts and annual results announcement for the year ended 31 December 2024; reviewed the interim report and the interim results announcement for the six months ended 30 June 2025; reviewed the effectiveness of internal control and risk management systems of the Group; reviewed and considered the report of the annual internal control and risk management reviews of the Group; reviewed and approved the internal controls assessment, enterprise risk management and environmental, social and reporting advisory services for the year 2025; reviewed the whistleblowing policy, the anti-fraud and anti-corruption policy and the compliance of the relevant Listing Rules and accounting policies in relation thereto.

Remuneration Committee

The members of the Remuneration Committee comprise Mr. KONG Kai Chuen Frankie, Mr. TO Chun Wai and Dr. SHAM Chung Ping Alain, all of whom are INEDs, and Mr. CHONG Tin Lung Benny, an executive Director. Mr. TO Chun Wai is the chairman of the Remuneration Committee. The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company. The terms of reference of the Remuneration Committee were adopted with reference to the CG Code, including the specific duties set out in Code Provision E.1.2(a) to (h) of the CG Code.



BOARD COMMITTEES *(Continued)*

Remuneration Committee *(Continued)*

The principal duties of the Remuneration Committee should be to make recommendations to the Board on the Group's policy and structure for all Directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; to have the delegated responsibility to determine the remuneration packages of individual Executive Directors, the senior management and non-executive Directors; and to review and approve compensation payable to Executive Directors and senior management for any loss or termination of office or appointment.

During the year 2025, the Remuneration Committee had conducted two meetings and passed one written resolution. During the year 2025, the Remuneration Committee had considered and made recommendations to the Board in relation to review the remuneration policy and structure for the Directors and the senior management of the Company; the remuneration package of each Executive Directors and senior management of the Company; the renewal of letter of appointment of INEDs; and the bonus of Executive Directors for the year 2024.

From 2023 onwards, the Remuneration Committee will also review the share option scheme and other share schemes (if any) of the Company on annual basis.

Nomination Committee

The members of the Nomination Committee comprise Mr. KONG Kai Chuen Frankie, Mr. TO Chun Wai and Dr. SHAM Chung Ping Alain, all of whom are INEDs; Ms. HANG Qingli, a non-executive Director (appointed on 1 July 2025) and Mr. CHONG Tin Lung Benny, an executive Director. Mr. CHONG Tin Lung Benny is the chairman of the Nomination Committee. It is primarily responsible for making recommendations to the Board on appointment of Directors regarding the qualifications and competency of the candidates. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company. The terms of reference of the Nomination Committee have included the duties set out in Code Provision B.3.1(a) to (d) of the CG Code.

The principal duties of the Nomination Committee should be to review the structure, size, composition and diversity (including the skills, knowledge, ethnicity, gender, cultural and educational background, professional experience and length of service) of the Board annually; to assist the Board in maintaining a board skills matrix and to support the Company's regular evaluation of the Board; to identify individuals suitably qualified to become members of the Board and make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of Independent Non-executive Directors under the Listing Rules; to make nominations to the Board for its consideration and recommendation to the Shareholders for proposing candidates to stand for election at a general meeting; to formulate and review the nomination policy for the Board's consideration and approval and to implement accordingly; and to formulate and review the Board diversity policy, as appropriate and make recommendations on any required changes for the Board's consideration and approval.

During the year 2025, the Nomination Committee had conducted two meetings. In 2025, the Nomination Committee had considered and made recommendations to the Board on the matters in relation to the independence of the INEDs; the proposed retirement of Directors by rotation and re-election at last AGM in 2025; reviewed the structure, size and composition of the Board; reviewed the Board diversity policy and nomination policy; and the appointment of member of the Nomination Committee.

BOARD COMMITTEES *(Continued)*

Executive Directors' Committee

The members of the Executive Directors' Committee comprise Mr. CHONG Tin Lung Benny and Mr. LIN Chun Ho Simon, the Executive Directors. The Executive Directors' Committee is formed for the overall management of the business of the Company, including day-to-day operations and administration of the Company. The written terms of reference of the Executive Directors' Committee are available on the website of the Company.

The principal duties of the Executive Directors' Committee should be to approve and oversee the execution of the normal and current business and investment activities of the Group in accordance with the needs of the Company for business development; to act on behalf of the Board in the day-to-day management of the Group, including but not limited to its purchasing, marketing, financing, personal and other operating activities; to negotiate, enter into and sign on behalf of the Company all contracts, tenders, agreements and distributorship; to negotiate with bankers for obtaining banking facilities, to enter into any guarantee, contract of indemnity; to lend money to such persons upon such terms and conditions in all respects as they may think fit; to commence, defend or settle any litigation, arbitration, legal proceedings or other claims and to do all such acts including seeking legal advice, making investigation as they may consider necessary in relation to the litigation, arbitration, legal proceedings or other claims; and to authorise the issue and allotment of Shares pursuant to the exercise of options granted under the share option scheme adopted by the Company from time to time and to give instructions to the share registrar of the Company in relation to such issue and allotment of Shares.

During the year 2025, the Executive Directors' Committee had passed eight written resolutions. During the year 2025, the Executive Directors' Committee had considered and approved the extension of promissory note; and the renewal of the insurances etc.

NOMINATION POLICY

This nomination policy of the Company aims to set out the approach to select the suitable candidates to become the members of the Board. The Nomination Committee shall nominate suitable candidates to the Board for it to consider and make recommendations to Board and the Shareholders for election as the Directors at general meetings or appoint as Directors to fill casual vacancies.

The selection criteria factors and the nomination procedures are set out in the nomination policy of the Company to be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate to become the member of the Board.

The nomination policy of the Company was adopted and updated on 21 December 2018. It is available on the website of the Company at www.autoitalia.com.hk.



BOARD DIVERSITY POLICY

This Board diversity policy aims to set out the approach to achieve diversity on the Board with the aim of enhancing Board effectiveness and corporate governance as well as achieving the Company's business objectives and sustainable development.

Summary of the Board Diversity Policy

While all Board appointments will continue to be made on a merit basis, the Company will ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the needs of the Company's business. Selection of candidates will be based on a range of diversity prospective, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service of each Board member. All appointments of the Board members will be based on meritocracy and candidates will be considered against objective criteria having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates for directorship will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, required expertise, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Monitor and reporting

The Nomination Committee will review this Policy at least annually to ensure its continued effectiveness. The Nomination Committee will discuss any amendments that may be required and recommend any such amendment(s) to the Board for consideration and approval.

At present, the Nomination Committee considered that the diversity of the Board is sufficient. The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

The Board recognises the importance and benefits of gender diversity at the Board level and shall continue to take initiatives to identify female candidate(s) to enhance the gender diversity among the Board members. Ms. HANG Qingli was appointed as a non-executive Director of the Company on 26 November 2024. Therefore, as at the Latest Practicable Date, there was one female Director on the Board and the composition of the Board is in compliance with the gender diversity requirement of the Board under the Listing Rules. When selecting and making recommendations on suitable candidates as Directors in the future, the Nomination Committee will continue to consider the appointments of such candidates as Directors with reference to the Board diversity policy of the Company and take opportunities to increase the proportion of female Directors on the Board. The Board has reviewed the implementation and effectiveness of the Board diversity policy of the Company for the year ended 31 December 2025 and considered it to be effective. The Board will conduct such review annually.

The Board diversity policy of the Company was revised and updated on 10 November 2022. It is available on the website of the Company at www.autoitalia.com.hk.

WORKFORCE DIVERSITY POLICY

The Group has adopted the workforce diversity policy since 1 July 2025, which focuses on valuing the diversity of its employees and is committed to establishing a diverse and inclusive workplace.

The workforce diversity policy is summarised as below:

- (i) the Company is committed to fostering gender empowerment, gender equality and gender diversity across its workforce, and providing equal opportunities in relation to recruitment, training and development, performance and compensation, evaluation and career and promotion opportunities;
- (ii) the Group recognises that diversity encompasses a broad range of attributes, including race, ethnicity, gender, nationality or religion, age, disability, sexual orientation, marital status, pregnancy, family status and cultural background, as well as experience, skills and views. The Group strictly adheres to non-discriminatory employment practices and procedures. It is committed to providing a positive work environment that values the wide-ranging perspectives inherent in its diverse workforce, free from all forms of discrimination or harassment and treat employees with respect; and
- (iii) the policy applies to all facets of employment, including recruitment and selection, professional development and training, compensation and benefits, performance evaluation, and career advancement.

As at 31 December 2025, 12.5% of the Group's senior management and 42.3% of the Group's total workforce are female. Therefore, the Group considers that diversity of the workforce has been achieved. In the future, the Group will continue its endeavor to increase female representation in its workforce.

The Board has reviewed the implementation and effectiveness of the workforce diversity policy of the Group for the year ended 31 December 2025 and considers them to be effective.



BOARD MEETINGS AND COMMITTEES' MEETINGS

The attendance record (excluding the case of the written resolutions) of the Directors in Board meetings and board committee meetings in 2025 were as follows:

Name of Directors	Number of Board meetings attended/held	Number of Audit Committee meetings attended/held	Number of Remuneration Committee meetings attended/held	Number of Nomination Committee meetings attended/held
<i>Executive Directors:</i>				
Mr. CHONG Tin Lung Benny	4/4	N/A	2/2	2/2
Mr. LI Shaofeng	4/4	N/A	N/A	N/A
Mr. LIN Chun Ho Simon	4/4	N/A	N/A	N/A
<i>Non-executive Director:</i>				
Ms. HANG Qingli	4/4	N/A	N/A	N/A
<i>INEDs:</i>				
Mr. KONG Kai Chuen Frankie	4/4	2/2	2/2	2/2
Mr. TO Chun Wai	4/4	2/2	2/2	2/2
Dr. SHAM Chung Ping Alain	4/4	2/2	2/2	2/2

The Board is responsible for performing the following corporate governance duties as required under CG Code Provision A.2.1 of the CG Code, which include (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board; (b) to review and monitor the training and continuous professional development of the Directors and senior management of the Group; (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements; (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees of the Group and the Directors; and (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for overseeing the preparation of the financial statements for each financial year, to ensure that these financial statements give a true and fair view of the state of affairs of the Company and of the Group at that date and of the Group's results and cash flows for the year then ended and are properly prepared on the going concern basis in accordance with the applicable statutory requirements and accounting standards. The Directors are responsible for ensuring the maintenance of proper accounting records, safeguarding of the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

EXTERNAL AUDITOR

During the year ended 31 December 2025, Messrs. Deloitte Touche Tohmatsu was re-appointed as external auditor. The statement of the auditor about its reporting responsibilities on the financial statements of the Group is set out in the **"Independent Auditor's Report"** on pages 106 to 110 of this Report.

During the year of 2025, the auditor had performed audit and non-audit services and their remuneration in respect of audit and non-audit services is HK\$1.23 million and HK\$0.49 million respectively.

RISK MANAGEMENT AND INTERNAL CONTROL

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board, the Audit Committee and the RMTF. The Board determines the nature and extent of risks that shall be taken in achieving the Group's strategic objectives, and has the overall responsibility for monitoring the design, implementation and the overall effectiveness of risk management and internal control systems.



RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

The members of RMTF comprises respective division and department heads. Its duties include:

- To assist the Board and the Audit Committee in overseeing the risk management system, ensuring that the risk management culture is fostered and system is implemented effectively in the daily operations and to arbitrate risk management policies that have conflicts between functional divisions.
- To oversee the risk management program and assess the program processes and make decisions on risk management issues escalated to it including:
 - To ensure the Group commits sufficient resources in carrying out the risk management exercise and to ensure risk profiles updates are carried out annually and in a timely manner in accordance with the guidelines and requirements laid down in the risk management policy of the Group as approved by the Board.
 - To review the risk assessment criteria and update the risk inventory, risk ranking and risk mitigation plan for the submission to the Audit Committee and the Board annually.
 - To maintain an oversight of the Group's risk management system, framework and program and propose enhancement(s) needed, including those to fulfill the regulators or governance bodies' statutory requirements, to the Board for approval at least annually.

RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

The Group has formulated and adopted risk management policy in providing direction in identifying, evaluating and managing significant risks. On an annual basis, the RMTF identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant. In addition, the Group has engaged an independent professional advisor to assist the Board and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. During the year, the Company has arranged the independent professional advisor to perform enterprise risk management advisory services report, identifying areas on improvement of operational procedures. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Audit Committee would report the same to the Board once a year. The Board had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to ensuring the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, the Group's ESG performance and reporting; the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board considers the Group's risk management and internal control systems are effective for the year ended 31 December 2025.

The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

WHISTLEBLOWING POLICY

The Board adopted a whistleblowing policy (the "**Whistleblowing Policy**") which provides channels and guidance to facilitate the raising of matters of concern by employees of the Group and those who deal with the Group, in confidence, without fear of reprisals. No incident of fraud or misconduct that have material effect on the Group's financial statements or overall operations for the year ended 31 December 2025 has been discovered. The Whistleblowing Policy is reviewed annually by the Audit Committee and the Board to ensure its effectiveness.



ANTI-FRAUD AND ANTI-CORRUPTION POLICY

The Board adopted an anti-fraud and anti-corruption policy (the “**Anti-fraud and Anti-Corruption Policy**”) which sets out the guidelines and responsibilities of the employees, the third parties or fiduciary capacity on behalf of the Group. The Group is committed to maintaining a high standard of integrity, openness and discipline in its business operations. The Anti-Fraud and Anti-Corruption Policy forms an integral part of the framework, including the code of conduct of the Company, the Anti-Fraud and Anti-Corruption Policy and the Whistleblowing Policy, outline the Group’s expectations and requirement of business ethics, as well as the investigation and reporting mechanism of suspected corruption practices. The Anti-Fraud and Anti-Corruption Policy is reviewed annually by the Audit Committee and the Board to ensure its effectiveness.

The Group complies with requirements of SFO and the Listing Rules. The Group discloses inside information to the public as soon as reasonably practicable. Before the information is fully disclosed to the public, the Group ensures the information is kept strictly confidential. The Company also implements an internal policy on handling inside information which is consistent with the relevant applicable requirements of the Listing Rules. The policy sets out measures and procedures for the Directors and other relevant officers of the Company to assume duty when dealing with inside information and preservation of its confidentiality before proper disclosure. It also sets out guidelines for the Board to disclose any material inside information timely according to the relevant statutory and regulatory requirements. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMMUNICATION WITH SHAREHOLDERS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding the Group’s business and performance. To ensure that Shareholders and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, the Company has established several channels to communicate with Shareholders as follows:

(i) Shareholders’ enquiries

Shareholders should direct their questions about their shareholdings to the Company’s share registrar. Shareholders are, at any time, welcome to raise questions, communicate their views on various matters affecting the Group, and request information (to the extent it is publicly available) from the Company by post.

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

(ii) Corporate Communication

Corporate communication means any documents issued or published by the Company for the information or action of Shareholders, including, but not limited to, the directors' report and annual audited accounts together with a copy of the auditors' report, the interim report, a notice of general meeting, a circular and a proxy form. Corporate communications will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding. Corporate communication shall be published and made available by the Company to the Shareholders by electronic means or in printed form in accordance with the Listing Rules and the Bye-laws.

(iii) Corporate Website

The Company's website (www.autoitalia.com.hk) provides comprehensive and updated information about the Company, including our financial results, financial statements, announcements, circulars, memorandum of association and amended and restated Bye-laws etc. Information on the Company's website is updated from time to time. Information released by the Company to the Stock Exchange is also published on the Company's website immediately thereafter if appropriate. Such information includes financial statements, results announcements, circulars and notices of general meetings, etc.

(iv) General Meetings of Shareholders

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at general meetings for and on their behalf if they are unable to attend the general meetings. At the general meetings, opportunities should be given to the Shareholders to express their opinions or to allow them to ask questions.

The Board members, in particular, the chairmen of Board committees or their representatives, appropriate management executives and representative(s) of external auditors will attend AGM to answer Shareholders' questions.

The Board of the Company reviewed the implementation and effectiveness of the shareholders' communication policy for the year ended 31 December 2025 and considered it to be effective.

The Company follows the practice that at the AGM, a separate resolution is proposed in respect of each separate issue, including the re-election of Directors.

At the last AGM, the Chairman of the Board, the chairman of the Audit Committee, Remuneration Committee and Nomination Committee, Directors and management of the Company were present to answer questions from the Shareholders.



COMMUNICATION WITH SHAREHOLDERS *(Continued)*

The Company held an AGM in 2025. The attendance of individual Director at the general meetings held in 2025 is set out in the table below:

Name of Directors	Number of general meeting attended/held
<i>Executive Directors:</i>	
Mr. CHONG Tin Lung Benny	1/1
Mr. LI Shaofeng	1/1
Mr. LIN Chun Ho Simon	1/1
<i>Non-executive Director:</i>	
Ms. HANG Qingli	1/1
<i>INEDs:</i>	
Mr. KONG Kai Chuen Frankie	1/1
Mr. TO Chun Wai	1/1
Dr. SHAM Chung Ping Alain	1/1

Pursuant to CG Code Provision F.2.2 of the CG Code, the Company invited representatives of the auditor of the Company to attend the AGM convened on 16 May 2025 to answer Shareholders' questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and auditor independence.

All the proposed ordinary resolutions in relation to the proposals for re-election of retiring directors, re-appointment of the auditor of the Company, general mandate to issue new Shares and general mandate to buy back Shares were duly passed by the Shareholders by way of poll at the AGM held on 16 May 2025.

Shareholders' Right

Shareholders may make a requisition to the Board to convene a SGM in accordance with the provisions as set out in the Bye-laws and section 74 of the Companies Act. Shareholder(s) holding at the date of the 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 have the right to submit a written requisition to the Board requiring a SGM to be called by the Board. The written requisition must state the purpose(s) of the meeting (including the resolutions to be considered at the meeting), and must be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong at 28/F, Viva Place, 36 Heung Yip Road, Wong Chuk Hang, Hong Kong for the attention of the Board and the Company Secretary, and may consist of several documents in like form, each signed by one or more requisitionists. If the requisition does not comply with the relevant requirements of the Bye-laws or the Companies Act, the requisitionists will be advised of the same and accordingly, the SGM will not be convened as requested.

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Shareholders' Right *(Continued)*

If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a SGM, the requisitionists or any of them representing more than one-half of the total voting rights of all of them may themselves convene a SGM, but any SGM so convened shall not be held after the expiration of 3 months from the said date of deposit of the requisition. A meeting convened by the requisitionists shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the Board.

Sections 79 and 80 of the Companies Act provides that on a requisition of certain Shareholder(s), the Company shall give notice to the Shareholders in respect of any resolution which is intended to be moved at an AGM and/or to circulate a statement in respect of any proposed resolution or business to be considered at a general meeting of the Company.

Under section 79 of the Companies Act, at the expense of the requisitionists unless the Company otherwise resolves, it shall be the duty of the Company on the requisition in writing by such number of Shareholders:

- (a) to give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting;
- (b) to circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

The number of Shareholders necessary to make the above-mentioned requisitions to the Company shall be:

- (i) either any number of Shareholders representing not less than one-twentieth of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the meeting to which the requisition relates;
or
- (ii) not less than one hundred Shareholders.



COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Shareholders' Right *(Continued)*

Under section 80 of the Companies Act, the Company shall not be bound to give notice of any resolution or to circulate any statement as mentioned above unless:

- (a) a copy of the requisition signed by the requisitionists, or two or more copies which between them contain the signatures of all the requisitionists, is deposited at the Company's principal place of business in Hong Kong:
 - (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
 - (ii) in the case of any other requisition, not less than one week before the meeting; and
- (b) there is deposited or tendered with the requisition a sum reasonably sufficient to meet the Company's expenses in giving effect to the requisition (i.e. the giving of notice of resolution and/or circulation of statement).

Provided that if, after a copy of the requisition requiring notice of a resolution has been deposited at the Company's principal place of business in Hong Kong, an AGM is called for a date six weeks or less after the copy has been deposited, the copy though not deposited within the above-mentioned time shall be deemed to have been properly deposited for the purposes thereof.

Procedures for directing Shareholders' enquiries to the Board

Shareholders should direct their enquiries about their shareholdings to Tricor Investor Services Limited, the Company's Share Registrar and Transfer Office in Hong Kong. Other Shareholders' enquiries can be directed to the Company Secretary from time to time. Enquiring Shareholder has to provide evidence to the Company to identify its identity. Please refer to the section headed "**Corporate Information**" of this Report for the contact details.

COMMUNICATION WITH SHAREHOLDERS *(Continued)*

Constitutional Documents

There was no change to the Company's constitutional documents during the year ended 31 December 2025. A copy of the latest version of the memorandum of association and Bye-laws is available on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.autoitalia.com.hk.

Voting by Poll

The Company informed Shareholders of the procedures for demanding a poll by incorporating them in any circular for an AGM and a SGM, if any. In addition, in every general meeting, the chairman of the meeting provided an explanation of the detailed procedures for conducting a poll at the meeting. The procedures for conducting a poll were incorporated in the circular for the AGM.

COMPANY SECRETARY

Ms. KWONG Yin Ping Yvonne has been appointed as the Company Secretary with effect from 30 May 2018. She is a senior vice president of SWCS. Ms. Kwong obtained a Bachelor Degree in Accounting from the Hong Kong Polytechnic University. She is a fellow member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in United Kingdom. Ms. Kwong currently also serves as the company secretary or joint company secretary of several companies listed on the Stock Exchange. She had undertaken no less than 15 hours of relevant profession training during the year ended 31 December 2025.

The contact person of Ms. KWONG Yin Ping Yvonne at the Company is Mr. CHONG Tin Lung Benny, Executive Director, Executive Chairman and Chief Executive Officer.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT



In accordance with Appendix C2 – Environmental, Social and Governance Reporting Code (the “**ESG Code**”) of the Main Board Listing Rules (the “**Listing Rules**”) issued by The Stock Exchange of Hong Kong Limited (the “**HKEx**”), Auto Italia Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”, “**we**”, “**our**” and “**us**”) present this Environmental, Social and Governance (“**ESG**”) Report for the year ended 31 December 2025 (the “**Reporting Period**”).

REPORTING SCOPE

This Report covers the ESG performance of the Group during the Reporting Period. In an effort to provide a comprehensive overview of our impact, the Group seeks to include all business segments under its operational control within the reporting boundary. Accordingly, this report provides detailed information on the ESG policies and performance of the Group’s investment properties and financing businesses in Hong Kong, as well as the research and development, sales of auto parts, and electric vehicle sales operated by Hudson Group (“**Hudson**”).

Following the cessation of the car dealership business operated by Wuhan Junyi in the second half of 2025, this segment has been excluded from the current Reporting Period. As the business has ceased operations, its residual environmental data is deemed insignificant to the Group’s overall performance. Due to the exclusion of Wuhan Junyi’s historical data from this year’s scope, certain environmental and social key performance indicators may show fluctuations when compared to those in previous financial years.

Looking ahead, the Group intends to adopt an operational control approach in defining its reporting boundary in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

REPORTING PRINCIPLES

This report adheres to the following reporting principles, including:

Materiality: Material ESG topics are identified and prioritised through a stakeholder materiality assessment that considers the expectations of internal and external stakeholders. Details of the assessment methodology and outcomes are disclosed in this report.

Quantitative: Quantitative information, together with comparative data where appropriate, is presented to facilitate an objective evaluation of the Group’s ESG performance.

Consistency: Consistent methodologies are adopted in the collection and calculation of ESG data to enable meaningful year-on-year comparisons, where applicable.

Balance: ESG performance of the Group is reported in a fair and objective manner.

Transparency: Relevant and material information is disclosed in accordance with the requirements by HKEx, ensuring a high level of transparency and authenticity.

ESG GOVERNANCE

The Group's governance is built on a strong belief that a well-developed corporate governance framework is key to success. The Board of Directors ("**Board**") has the overall responsibility for the Group's ESG reporting and strategy in achieving green operations for sustainable development, and oversees climate-related risks and opportunities as part of its oversight of strategy and risk management.

To support the Board in fulfilling these responsibilities, the Group has established an ESG taskforce comprising senior management and department heads from different functions, which coordinates ESG- and climate-related information across the Group and prepares regular updates for the Board's review and strategic direction. The Board is informed of ESG matters (including climate-related risks and opportunities) primarily through the ESG taskforce's reporting. The ESG taskforce reports to the Board on a semi-annual basis, covering the progress against ESG- and climate-related goals and targets, and the effectiveness in the control of ESG-related risks and internal control systems. The Board oversees the setting of climate-related targets by reviewing ESG taskforce's proposed goals, targets and implementation plans, and monitors progress through periodic updates on performance metrics and milestones.

In particular, the Board oversees climate-related risks and opportunities alongside other ESG matters, taking them into account when providing strategic direction, reviewing performance¹ and risk exposures, and considering major transactions. In overseeing strategy and significant decisions, the Board reviews management's assessment of relevant climate-related risks and opportunities, and considers related trade-offs and implications for business resilience, compliance, operational efficiency and financial performance.

To ensure appropriate skills and competencies are available to oversee strategies designed to respond to climate-related risks and opportunities, the Board is informed by the ESG Taskforce of material climate-related risks and opportunities and participates in climate-related training to remain informed and up to date.

Management's role in climate governance is carried out through the ESG taskforce, which serves as the management-level committee delegated to the identification, assessment and management of ESG and climate-related risks and opportunities. It plays a key role to ensure that ESG- and climate related objectives are effectively executed across all business functions. The responsibility of the ESG taskforce includes but not limited to the followings:

- Establishing long-term ESG goals and missions of the Group;
- Evaluating, prioritising, monitoring and managing ESG- and climate-related risks and opportunities;
- Evaluating the implementation of corresponding ESG- and climate-related mitigation and adaptation measures;

¹ The Group does not incorporate specific climate-related performance metrics into its management remuneration policies in the current Reporting Year. However, we are actively exploring the feasibility of integrating such metrics in future periods to strengthen accountability and better align executive incentives with our long-term sustainability objectives.



ESG GOVERNANCE *(Continued)*

- Evaluating the effectiveness of the Group's ESG management systems; and
- Reporting the ESG objectives achieved to the Board on a regular basis.

The ESG taskforce is provided with sufficient resources by the Board and is authorised to carry out its ESG- and climate-related duties such as stakeholder engagement and materiality assessment. For example, the ESG taskforce could, if necessary, inquire the internal and external stakeholders of the Group, and seek professional advice at the expense of the Group. Moreover, the ESG taskforce uses controls and procedures integrated with existing internal functions, including risk management, finance, internal control and compliance to identify and assess climate-related risks and opportunities, monitor key metrics and progress against targets, and support the completeness and consistency of ESG- and climate-related reporting.

In addition, we monitor closely updates in relevant laws, regulations and compliance requirements applicable to the Group with an aim to assess and modify our internal ESG- and climate-related initiatives regularly to ensure the compliance of those rules, guidelines and regulations.

We have incorporated our ESG visions into our operation activities. We have implemented a series of environmentally friendly measures to reduce the emissions, such as using fuel-efficient vehicles and adopting energy saving measures in the workplace. We have also evaluated our investment decision with regard to the sustainability to the environment and our society.

We perform regular reviews on our risk management process, and assess our material risks, including ESG- and climate-related risks. The ESG taskforce and the Board are responsible to design and implement proper internal control measures to mitigate the ESG- and climate-related risks. This includes enhancing the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions as well as the ESG data collection, performance monitoring and reporting.

Following our regular review, we revise and enhance relevant controls and measures where necessary to improve effectiveness and support the achievement of the Group's ESG objectives for the year. Please refer to the "Risk Management and Internal Control" section of the Group's "Corporate Governance Report" for details of our risk management and internal control systems.

During this Reporting Period, after the Board's evaluation of performance against the ESG-related targets (including the consideration of factors such as stakeholder feedback), no material exception was noted. Looking ahead, the Group expects that potential investment or acquisition projects in new industries may introduce new ESG- and climate-related risks and opportunities. The Group will continue to assess and monitor the associated climate-related risks and opportunities of such potential transactions as part of the Board's oversight of strategy and risk management.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement forms part of the Group’s ongoing management and governance practices. It refers to the structured communication and interaction with internal and external stakeholders who may affect, or be affected by, the Group’s operations and business decisions. The Group considers effective stakeholder engagement to be essential in supporting sustainable development and responsible business operations. The Group has established appropriate engagement mechanisms for different stakeholder groups, with the key engagement methods outlined below:

#	Relevant Stakeholders	Engagement Methods
1	Customers 	<ul style="list-style-type: none"> • Corporate Website • Client Service Hotline • Client Meetings
2	Employees 	<ul style="list-style-type: none"> • Internal Emails and Publications • Meetings and Briefings • Trainings • Employee Activities
3	Suppliers and Business Partners 	<ul style="list-style-type: none"> • Business Meetings • Regular Audits
4	Investors and Stockholders 	<ul style="list-style-type: none"> • Annual General Meeting • Annual and Interim Reports • Announcements and Circulars
5	Government and Supervising Authorities 	<ul style="list-style-type: none"> • Public Consultations
6	Social Groups and Public 	<ul style="list-style-type: none"> • Charitable Activities
7	Media 	<ul style="list-style-type: none"> • Corporate Website • General Hotline



MATERIALITY ASSESSMENT

The Group have identified its material ESG topics through a materiality assessment conducted with reference to the recommendations set out in the ESG Code. The materiality assessment included the consideration of the business nature, operational location and industry characteristics. The materiality assessment process comprised the following key steps:

- Stakeholder Engagement**

The Group maintained consistent engagement with key stakeholders through meetings, events, and other communication and feedback channels. To evaluate the materiality and relevance of ESG topics, a stakeholder engagement survey was conducted involving both internal stakeholders, including department heads and operational staff, and external stakeholders, including customers and suppliers.
- Assessment of the ESG Topics**

In consideration of opinions of the stakeholders, the management of the Group (“the Management”) reviewed and discussed the relevance of the identified ESG topics, including their potential impacts and risks to the Group’s operations and development.
- Determination of the Material ESG Topics**

After the discussion by the Management, the identified ESG topics were prioritised based on their relative importance and relevance to the Group, and the most material topics would be disclosed in this ESG Report.

As a result of the materiality assessment conducted during the Reporting Period, the Group reviewed and updated its material ESG topics having regard to its business developments. A summary of material ESG topics identified is presented below:



MATERIALITY ASSESSMENT *(Continued)*

Material ESG Topics	
Environmental	1. Greenhouse gas emissions
	2. Waste Management
	3. Energy Usage
	4. Water Usage
	5. Resources Conservation
	6. Other Significant Environmental Impacts
Social	7. Climate Change and Resilience
	8. Employment Practices
	9. Equal Opportunity
	10. Diversity, Equity, and Inclusion
	11. Occupational Health and Safety
	12. Staff Training
	13. Anti-child and Forced Labour
	14. Supply Chain Management
	15. Product Safety
	16. Products and Services Responsibility
	17. Data Privacy and Protection
	18. Customer Service
	19. Anti-corruption and Money Laundering
	20. Anti-corruption Training
	21. Community Engagement

Note: The Group did not use any packaging materials in operations during this Reporting Period. Therefore, the disclosure related to the use of packaging materials was not applicable.

Social

Employment Practices

We believe our employees are one of the most valuable assets of the Group. To attract, motivate, and retain top talents, we offer competitive remuneration packages, comprehensive benefits programmes, and learning and development opportunities. In addition, we have established Human Resources Policies that cover recruitment, termination, promotion, discipline, working hours, leave, and benefits to ensure fair and consistent practices across the Group.

Employees compensation is reviewed annually based on their individual performance and market standards. We provide a wide range of benefits, including comprehensive medical and employee compensation insurance, social security contributions, and mandatory provident funds. In our Hong Kong office, we have implemented “Family-friendly Employment Practices” to support work-life balance. These include flexible work arrangements, compassionate leave, and designation as a “Breastfeeding Friendly Workplace”.

The Group places a strong emphasis on employee growth through training programmes, professional development opportunities, and social activities. These initiatives are designed to enhance skills, foster collaboration, and promote overall well-being, ensuring our workforce remains adaptable and engaged.



Social *(Continued)*

Employment Practices *(Continued)*

The Group respects cultural and individual diversity. We are committed to preventing discrimination based on personal characteristics such as gender, pregnancy, marital status, disability, family status, or race. We provide equal opportunities for employment and career advancement for all employees. Currently, the Board comprises 1 female Director and 6 male Directors. To enhance gender diversity the Group aims to increase female representation on the Board and throughout the workforce. For details on our workforce, please refer to the section "Appendix – Social Performance Summary" in this Report.

As a responsible employer, we are committed to full compliance with local labour laws and regulations related to employment and employee welfare, such as the Minimum Wage Ordinance, the Employment Ordinance, the Employees' Compensation Ordinance, and the Occupational Safety and Health Ordinance of Hong Kong, as well as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, and the Social Insurance Law of the People's Republic of China. Our internal departments closely monitor the latest updates and announcements from local authorities to ensure ongoing adherence and prevent violations to any relevant laws and regulations.

No cases of non-compliance with employment-related laws and regulations were noted during the Reporting Period.

Workplace Health and Safety

Health and safety are top priorities in the Group's operations. We are committed to providing a safe workplace for our employees, customers, visitors, and others affected by our activities. This includes delivering appropriate training, evacuation drills, and protective equipment in line with applicable laws and regulations. We regularly update and communicate occupational safety guidelines to all staff, ensuring they stay informed of the latest standards and best practices.

The Group recognises the importance of health protection in the post-pandemic era. Our ESG taskforce actively monitors public health developments and their potential impacts on the employees' health and business operations, enabling proactive risk management. To address occupational health and safety hazards, including public health risks, the Group has implemented the following measures:

- Requirement to wear surgical face masks in the workplace when necessary;
- Provision of hand sanitisers to employees, customers, and visitors;
- Issuance of internal notices to all employees to remind them the importance of maintaining personal hygiene;
- Daily cleaning of the workplace; and
- Implementation of a flexible working policy.

Social *(Continued)*

Workplace Health and Safety *(Continued)*

These measures are reviewed regularly by management to ensure their ongoing effectiveness in preventing health and safety incidents over time. Employees must adhere strictly to all health and safety protocols and report any accidents or injuries immediately to their direct supervisor. Relevant reports will be prepared periodically and submitted to management for review and monitoring.

Over the past three years, including this Reporting Period, the Group has recorded no work-related fatalities or workplace accidents. In addition, there were no lost days due to work injuries during the Reporting Period.

The Group complies fully with relevant occupational health and safety laws and regulations, including the Law of the People's Republic of China on Work Safety and the Occupational Safety and Health Ordinance in Hong Kong, no instances of non-compliance were noted during this Reporting Period.

Adhering to our core value on health and wellbeing, we will continue to offer competitive remuneration, benefits, and development opportunities to support our employees². We will collaborate with employees to navigate emerging health challenges, fostering resilience and business continuity for all stakeholders.

Staff Training

The Group acknowledges the critical role of well-trained staff in meeting customer needs and driving business success. To support this, we encourage and facilitate continuous personal and professional training for all employees, fostering a skilled and adaptable workforce.

We offer a range of training programmes on a regular basis, including on-the-job coaching, to enhance employees' competencies and performance in their roles. For external training, we have established policies that include examination leave and reimbursement for tuition, seminars, or workshop fees. This support enables employees to pursue certifications and advanced learning opportunities aligned with their career goals.

Overall, 79% (2024: 61.5%) of employees received training during the Reporting Period, representing a notable improvement compared to the prior year. For details of our training data, please refer to the section "Appendix – Social Performance Summary" in this Report.

Anti-Child and Forced Labour

The Group maintains a zero-tolerance policy against child and forced labour in any form across our operations, services, and supply chain.

² As detailed in the "Employment Practices" section.



Social *(Continued)*

Anti-Child and Forced Labour *(Continued)*

During recruitment, we conduct thorough internal control, including background checks and job interviews, to verify that no child and forced labour is employed. The Group continually reviews and assesses its employment practices, engaging employees through feedback mechanisms to identify and prevent potential issues. This ensures full compliance with relevant laws and regulations, including the Labour Law and Provisions on the Prohibition of Using Child Labour of the People's Republic of China, and the Employment Ordinance (Cap. 57) of Hong Kong. Any issues identified will be reported to the senior management immediately and addressed promptly. No instances of non-compliance with Employment Ordinance or other laws and regulations related to child and forced labour were noted during the Reporting Period.

Supplier Practices

The Group provides support to its suppliers, service providers, and business partners in maintaining high standards of business ethics, while addressing environmental and social issues in their operations. We believe that effective supply chain management and supplier engagement are crucial for the sustainable development of the Group.

The Group expects all suppliers to align with our core values in corporate social responsibility. During the supplier engagement process, ESG performance is considered as one of the key assessment criteria to encourage suppliers to adopt socially and environmentally responsible practices.

The Group maintains a strong commitment against any form of forced, coerced, or bonded labour. Adherence to legal minimum age requirements for employment is strictly enforced. Moreover, we mandate all our suppliers to establish and implement policies and procedures to prevent bribery, corruption and fraud within their operations.

Identifying, assessing and mitigating the environmental and social impacts in our supply chain is central to our sustainable supply chain strategy. We recognise that climate-related issues such as unpredictable extreme weathers, and social challenges like labour disputes and unanticipated incidents, can significantly affect our supply chain. This awareness motivates the Group to refine its framework for effective ESG risks management throughout the supply chain.

To ensure supply chain integrity, the Group conducts regular supplier reviews and due diligence. These processes identify potential issues, enabling timely corrective actions. We continuously monitor and assess supplier ESG performance during contract fulfilment, with evaluation reports submitted to senior management for review and approval as needed.

Suppliers must adhere to the Group's corporate social responsibility policies in all material aspects. Non-compliance may result in termination of business relationships and exclusion from future opportunities.

During the Reporting Period, the Group had 38 major suppliers located in Mainland China.

Social *(Continued)*

Data Privacy

The Group respects the data privacy of its stakeholders, including employees, customers, and suppliers. We strictly adhere to applicable data and privacy protection laws and regulations, including the Personal Information Protection Law in People's Republic of China and the Personal Data (Privacy) Ordinance in Hong Kong.

To implement appropriate data protection measures and safeguard the privacy rights of our stakeholders, the "Information Security Policy and Guideline" has been established to outline the key principles of data privacy management. The core principles include:

- Personal data is collected only when deemed relevant and necessary;
- Personal data is used solely for the purpose for which it was collected, unless prior consent has been obtained;
- The transfer or disclosure of personal data to any entity outside of the Group is strictly prohibited without consent, except when required by law or previously notified;
- Appropriate security measures have been implemented to prevent unauthorised access to personal data; and
- Access rights to personal data are granted exclusively to designated personnel.

No cases of non-compliance with service and data privacy-related laws were noted during the Reporting Period.

Customer Services

The Group is committed to providing a high-quality service for our customers. To maintain service standards, the Group conducts stringent and routine audits of our operations and processes. Any issues identified would be rectified immediately through meetings involving the senior management.

Products and Services Responsibility

The Group takes full responsibility for the quality, safety, and ethical delivery of its products and services, emphasising fair and transparent practices. We prohibit all forms of unfair business activities, including fraud, misleading information, or any actions that could undermine customer confidence or infringe on rights. Our selling and service delivery processes ensure that all product and service information is clear, accurate, and openly communicated, enabling informed decision-making.

To uphold our responsibilities, internal assessments are conducted to identify and monitor various risks, such as environmental and social risks, anti-money laundering, and anti-corruption, across our services. Additionally, potential clients are thoroughly vetted for associated risks before entering into business agreements, helping to prevent unethical partnerships and ensure alignment with our values.



Social (Continued)

Products and Services Responsibility (Continued)

We adhere strictly to relevant laws and regulations on product, service, and data privacy, including the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, and the Trade Description Ordinance, Sale of Goods Ordinance, Supply of Services (Implied Terms) Ordinance and Personal Data (Privacy) Ordinance of Hong Kong. Compliance is maintained through timely staff updates and random checks for potential violations. During this Reporting Period, no cases of non-compliance with products and services-related laws and regulations were noted.

As part of our services, we repair and maintain cars in accordance with the qualifications and scopes approved by national administrative department, and in accordance with relevant national maintenance standards, specifications or any additional quality requirements agreed upon by customers and us. Our repair and maintenance fees are transparent and strictly follow manufacturers' guidance. We follow manufacturers' standard service procedures and deliver repaired and maintained cars to the customer within the agreed delivery time.

Quality assurance process and recall procedures

To ensure the quality of our services, we provide a quality assurance period starting from the completion of repairs at our factory. We deliver timely and regular training to our employees for new vehicle models listed on the market. Daily meetings are held among teams to review operations, analyse performance, formulate improvement plans, and implement timely adjustments.

During this Reporting Period, no products were subject to recalls for safety and health reasons, and no cases of service-related complaint were noted.

Intellectual Property Rights

In respect to intellectual property and ownership rights, the Group requires its employees to comply with relevant copyright laws in the course of their employment.

The Group takes measures to remind our employees and note areas which may be sensitive and vulnerable to copyright infringement instances in its operations, including:

- Use of computer software
- Making copies of copyright works; and
- Distribution through the Intranet ("LAN") or Internet.

Employees are required to follow the Group's strict policies and procedures regarding intellectual property rights when making use of materials, pictures, contents, and all other forms of third-party intellectual property that are not owned by the Group. Moreover, our employees are required to comply with relevant laws and regulations, including the Patent Law of People's Republic of China and the Patents Ordinance (Cap. 514) of Hong Kong. Violations may result in disciplinary actions.

Social *(Continued)*

Anti-Corruption and Money Laundering

The Group is committed to preserving the integrity of its corporate culture. We do not tolerate corruption, money-laundering, or other fraudulent activities. We have established a “Staff Code of Conduct” which stipulates proper work ethics and practices, requiring all employees to adhere strictly to it in their daily business activities. Misconduct, unethical behaviours, and bribery are prohibited in all dealings and relationships. Any breaches of the Staff Code of Conduct by employees are subject to disciplinary action.

Anti-corruption-related trainings are conducted annually. During the Reporting Period, all directors and employees in the Hong Kong office have received online anti-corruption training. The awareness of anti-corruption within the Group has been enhanced.

The Group has also adopted an Anti-Fraud and Anti-Corruption Policy which sets out the expectations and requirements of business ethics of the Group and the investigation and reporting mechanism of corruption practices. The Group is devoted to maintaining a high standard of integrity, openness, and discipline in its business operations.

A Whistleblowing Policy has been developed for employees to confidentially report potential improprieties concerning operational, financial reporting, or other issues.

In addition, the Group has implemented a Whistleblowing Policy that provides a well-defined and accessible channel for internal and external stakeholders to raise concerns confidentially. This includes unlawful conduct, financial malpractice or other improprieties. Whistle-blowers are encouraged to contact the Chief Financial Officer (the “CFO”) directly for investigation. If the CFO is involved in the concern raised, whistle-blowers may choose to report directly to the chairman of Audit Committee instead.

Should the investigation yield sufficient evidence, the investigative team is advised to refer the case to the appropriate local authorities. Upon conclusion of the investigation, a report detailing the findings, impacts, and proposed action plan will be drafted and reviewed by the Audit Committee before recommendations are made to the Board of Directors of the Group. The Group upholds the highest standards in protecting its whistle-blowers from any form of retaliation.

The Group will continue to adhere to anti-corruption and money laundering-related laws and regulations in Hong Kong and China, including the Prevention of Bribery Ordinance and Anti-Money Laundering and Counter-Terrorist Financing Ordinance of Hong Kong, and the Criminal Law of the People’s Republic of China, the Anti-monopoly Law of the People’s Republic of China and the Anti-unfair Competition Law of the People’s Republic of China. The effectiveness of our internal controls is reviewed at least annually to ensure a sound internal control system is in place to prevent malpractices.

No cases of non-compliance with anti-corruption and money laundering-related laws and regulations and concluded legal cases regarding corrupt practices were brought against the Group or its employees during this Reporting Period.



Social *(Continued)*

Community Engagement

In pursuit of our social commitment, we are dedicated to meeting expectations of our stakeholders, including shareholders, customers, business partners, and employees. Our goal is to create mutually beneficial outcomes through a strong focus on social well-being and responsibility. We actively seek opportunities to participate in various events, demonstrating our care for diverse communities and fostering a culture of social responsibility among our employees.

During the Reporting Period, we supported key community activities, including:

- The charity donation organised by the Suicide Prevention Services; and
- The charity walk organised by the Suicide Prevention Services.

In 2025, the Group was awarded the “Caring Company Logo” by the Caring Company Scheme, launched by The Hong Kong Council of Social Service. This recognition highlights our positive contribution in the areas of “Caring for the Community”, “Caring for the Employees” and “Caring for the Environment”.

Looking ahead, we will continue to identify opportunities to contribute to our local community and charity events through active participation, aiming to make a significant impact on improving the health and well-being of those around us.

Environment

As part of our aim, we strive to reduce the impact we have had on the environment through adoption of green business practices while minimising environmental pollution. The Group has established a Sustainability Policy that all our staff should ensure environmental compliance, minimise environmental impact and adopt green practices.

Climate-related Strategy

The Group recognises climate change as a strategic issue that may affect long-term business resilience, operational continuity, cost structure, and stakeholder expectations. To address these challenges, management is committed to enhancing resilience by integrating climate considerations into key planning and decision-making processes, and by implementing measures to support adaptation to potential impacts and mitigation of GHG emissions over time. We also encourage employees, suppliers, and customers to adopt low-carbon practices and energy-efficient behaviours in their daily operations where practicable. Through these efforts, we aspire to make a positive impact on our climate and environment.

During the Reporting Period, the Group has undertaken a climate-related risk and opportunity assessment to identify matters that could reasonably be expected to affect its operations, strategic objectives and long-term resilience. In conducting the assessment, the Group considered its operating profile and geographical footprint, and referenced relevant industry research, regulatory guidance and publicly available information to identify climate-related risks and opportunities commonly associated with its sector.

Environment *(Continued)*

Climate-related Strategy *(Continued)*

In view of the availability, consistency and reliability of internal and external climate-related data, as well as the current maturity of analytical methodologies and data management systems, the Group adopted a qualitative assessment approach during the Reporting Period. Certain elements of climate-related data, particularly those relating to value chain activities and forward-looking assumptions, remain subject to estimation uncertainty and evolving measurement standards. Accordingly, the assessment focused on identifying key physical and transition-related climate risks and opportunities relevant to the Group's business activities, without undertaking quantitative financial impact analysis or scenario-based assessment³ at this stage.

In addition, the Group has considered the potential effects of climate related risks and opportunities on its financial position, financial performance and cash flows for the Reporting Period. Based on the assessment performed and the mitigation and adaptation measures currently in place, no material financial impacts were identified during the year, nor are any expected in the near term. Despite the absence of immediate financial impacts, the Group remains proactive in its climate strategy and is committed to formulating a transition plan in anticipation of long-term climate shifts. We continue to monitor progress against our environmental objectives and remain dedicated to assessing the evolving landscape of sustainability-related risks and opportunities. Moving forward, the Group will adopt the most suitable decarbonisation pathways relevant to its operations to ensure a practical and resilient transition to a low-carbon economy.

The results of the assessment are presented in the climate-related risks and opportunities table⁴ below, which summarise the principal risks and opportunities identified, their nature, expected time horizons⁵ and potential implications for the Group's operations and financial performance.

³ Subject to the progressive enhancement of internal technical capabilities, the Group intends to advance towards quantitative scenario analysis on a phased basis in future periods, with a view to strengthening its climate resilience management.

⁴ In alignment with our geographical footprint, the Group identifies Hong Kong and Mainland China as the key jurisdictions where climate-related impacts are most material to our operations. Our strategic response focuses on the specific environmental and regulatory landscapes of these two regions.

⁵ The ESG Taskforce has considered the assets within the Group's business that may be subject to climate-related risks and opportunities. By consolidating relevant data from relevant business units, the Group has defined short-, medium-, and long-term time horizons for assessing climate-related risks and opportunities. These time horizons have been determined with reference to the nature of the Group's business nature and strategic development framework, ensuring alignment between climate-related risk management and long-term business objectives, as outlined below: (i) Short-term: The Group considers 2027 a short-term horizon because acute physical climate events and reputation risks are already affecting operational planning cycles and require near-term resilience measures; (ii) Medium-term: The Group uses 2030 as a medium-term benchmark to reflect expected infrastructure investment priorities and business continuity planning over the next strategic cycle; (iii) Long-term: The long-term horizon of 2050 is used to align the Group's planning assumptions with broader climate transition objectives and long-term capital planning timeframes.



Environment (Continued)

Climate-related Strategy (Continued)

Climate-related Risks and their Potential Financial Impacts

Category	Risk	Time Horizon	Description	Potential Financial Impact
Physical Risk				
Acute Risk	Typhoon/Storm Surge	Short-, Medium- and Long-term (2027, 2030 and 2050)	Typhoon is a severe tropical cyclone characterised by strong winds and heavy rainfall, while storm surges involve temporary sea level rises caused by low atmospheric pressure and high winds during such events.	<ul style="list-style-type: none"> Higher repair and replacement costs for properties and assets due to extreme weather events. Potential revenue loss arising from business disruption. Additional capital expenditure required to enhance physical resilience and protection measures.
	Rainfall Flood		Rainfall flood refers to sudden flooding caused by heavy or prolonged rainfall overwhelming drainage systems.	
Chronic Risk	Rising Average Temperature	Medium- and Long-term (2030 and 2050)	Rising average temperatures refer to a gradual increase in seasonal and annual baseline temperatures over extended periods of time.	<ul style="list-style-type: none"> Higher electricity costs for cooling during prolonged periods of elevated temperatures. Increased HVAC maintenance costs and shorter replacement cycles.
	Increased Water Scarcity		Increased water scarcity refers to a long-term decline in water availability driven by changing precipitation patterns, reduced groundwater resources, or competing demand.	

Environment (Continued)

Climate-related Strategy (Continued)

Climate-related Risks and their Potential Financial Impacts (Continued)

Category	Risk	Time Horizon	Description	Potential Financial Impact
Transition Risk				
Policy and Legal	Carbon Pricing and Emissions Trading Adoption	Medium-and Long-term (2030 and 2050)	Carbon pricing and emissions trading adoption refers to government policies that impose financial costs on greenhouse gas emissions, potentially increasing the cost of electricity, logistics, manufacturing inputs and imported goods based on their carbon intensity.	<ul style="list-style-type: none"> Higher cost of goods sold due to supplier pass through of carbon tax or emissions trading costs. Increased energy and logistics costs arising from carbon pricing on electricity consumption and transportation.
	Stringent Climate-Related Disclosure Requirements		Stringent climate-related disclosure requirements refer to evolving expectations from regulators, stock exchanges, and global reporting frameworks to provide transparent, consistent, and verifiable information on climate risks, emissions data, and transition strategies.	<ul style="list-style-type: none"> Increased reporting and compliance costs arising from enhanced data systems, specialist resources and third party support for climate related disclosures. Higher assurance and verification costs associated with external audits of ESG and climate data.
Technology Risk	Rapidly Changing Technology Requirements	Medium- and Long-term (2030 and 2050)	Rapidly changing technology requirements refer to ongoing advancements in climate-related technologies that may render existing products, equipment or infrastructure less competitive or incompatible.	<ul style="list-style-type: none"> Increased R&D expenditure to assess and adopt new solutions for vehicle performance, charging infrastructure or energy management.



Environment (Continued)

Climate-related Strategy (Continued)

Climate-related Risks and their Potential Financial Impacts (Continued)

Category	Risk	Time Horizon	Description	Potential Financial Impact
Market Risk	Shift in Consumer Preferences Toward Low-Emissions Products	Medium- and Long-term (2030 and 2050)	A shift in consumer preferences toward low emissions products refers to increasing demand for goods and services with lower environmental impact.	<ul style="list-style-type: none"> Reduced demand for conventional automotive products as customer preferences shift toward lower emission or higher efficiency alternatives. Increased marketing and product development costs to reposition offerings as environmentally responsible.
	Volatile EV Demand Due to Changing Subsidies		Volatile EV demand due to changing subsidies refers to fluctuations in electric vehicle sales arising from changes to government incentives, rebates, tax allowances and support programmes, which vary over time and across regions.	<ul style="list-style-type: none"> Increased pricing pressure resulting from competitor pricing adjustments following subsidy changes. Inventory risks and potential write downs where vehicles or components remain unsold outside subsidy periods.

Environment *(Continued)*

Climate-related Strategy *(Continued)*

Climate-related Risks and their Potential Financial Impacts (Continued)

Category	Risk	Time Horizon	Description	Potential Financial Impact
Reputational Risk	Investor Pressure on Climate Disclosure Quality	Short-, medium- and long-term (2027, 2030 and 2050)	Investor pressure on climate disclosure quality refers to rising expectations from shareholders, institutional investors, lenders and ESG rating agencies for detailed, accurate and transparent climate disclosures aligned with recognised frameworks.	<ul style="list-style-type: none"> • Higher reporting and verification costs to enhance disclosure systems, data accuracy and reporting credibility. • Potential increase in cost of capital arising from lower ESG ratings or insufficient climate disclosures. • Additional audit-related costs, including external assurance fees for validation of climate data.



Environment (Continued)

Climate-related Strategy (Continued)

Climate-related Opportunities and their Potential Financial Impacts

Category	Opportunity	Time Horizon	Description	Potential Financial Impact
Transition Opportunity	Low-Carbon Product and Service Innovation	Medium- and Long-term (2030 and 2050)	Low carbon product and service innovation refers to the expansion of automotive products and services with reduced environmental impact.	<ul style="list-style-type: none"> Increased revenue from new product lines addressing demand for low emission vehicle technologies. Access to government incentives and R&D funding, reducing innovation and development costs. Market expansion and competitive advantage by offering differentiated low-carbon products aligned with future mobility trends.
	Green Tenant Attraction in Investment Properties		Green tenant attraction refers to the use of energy efficient upgrades, sustainability certifications and building performance enhancements to attract climate conscious tenants.	<ul style="list-style-type: none"> Higher rental yields and reduced vacancy periods driven by demand from sustainability focused tenants. Access to green financing or preferential loan terms for certified green buildings or retrofit investments. Potential energy cost savings and operational efficiencies through improved building systems and asset performance.

In response to the identified risks and opportunities, the Group has implemented a range of mitigation and adaptation measures across its business segments. Our mitigation efforts focus on enhancing fuel and electricity efficiency and promoting waste reduction. To ensure operational resilience, the Group has established robust adaptation measures, including remote working guidelines and the supporting technical infrastructure required to maintain business continuity during extreme weather events. For further details regarding our specific environmental initiatives and performance, please refer to the relevant sub-sections within the "Environmental" chapter of this Report.

Environment *(Continued)*

Climate-related Strategy *(Continued)*

Beyond addressing immediate climate risks, the Group is strategically allocating resources to research and development (R&D) to capture climate-related opportunities and drive innovation. During the Reporting Period, climate-related R&D expenses accounted for 2.4% of total operating revenue, reflecting our commitment to climate-resilient growth and the transition to a lower-carbon economy.

These climate initiatives are currently funded through the individual budgets of the Group's respective business units, to support effective implementation, the Group is progressively enhancing internal coordination and strengthening the quality, consistency and coverage of climate-related information used for management and reporting purposes. This includes refining internal data processes to better support risk assessment, strategic planning and disclosure, while addressing identified data gaps within its value chain. As data availability and methodological maturity improve, the Group intends to further develop its analytical capabilities to enable more comprehensive evaluation of climate-related impacts.

Looking ahead, the Group will continue to evaluate practicable decarbonisation pathways and sustainability opportunities relevant to our operating profile. As our analytical capabilities and data maturity evolve, we anticipate progressively enhancing the depth and clarity of our climate-related strategy and disclosures in future reporting periods.

Risk Management

The Group adopts a multi-faceted approach⁶ to identifying and assessing climate-related risks, combining qualitative judgement and quantitative analysis. The Board and senior management apply qualitative evaluations to identify emerging climate-related issues, including regulatory developments, reputational concerns, and stakeholder expectations. Quantitative scoring methods are used to evaluate the likelihood and financial impact of identified risks, drawing on relevant operational data such as GHG emissions intensity, energy consumption, and exposure to carbon pricing or regulatory penalties.

The scope of these assessments covers the Group's core operations, business units, and subsidiaries, with specific attention to facilities in climate-sensitive regions and exposures across the value chain. Materiality thresholds have been established to determine whether identified risks may have a significant impact on the Group's operations, financial performance, long-term strategy, or stakeholder confidence. Risks assessed as material are escalated to the Board for oversight and review.

⁶ There have been no changes to the processes used for identifying, assessing, and managing climate-related risks compared to the previous reporting period.



Risk Management *(Continued)*

Climate-related risks are integrated into the Group's broader risk register and managed through the same governance framework applied to financial, operational, and compliance risks, ensuring consistency and comparability across risk categories. The Board, with the support of the Audit Committee, oversees the incorporation of climate-related risks into the Group's risk management cycle, which includes periodic monitoring and materiality assessments. Relevant information, including emissions metrics, regulatory developments, and climate projections, is considered alongside traditional business risk indicators in evaluating risk likelihood and impact.

By applying both qualitative judgement and quantitative scoring, the Group prioritises climate issues in a manner consistent with other critical business risks, while recognising their unique long-term and systemic nature. For additional details on the overall framework, please refer to the "RISK MANAGEMENT AND INTERNAL" section of the Group's annual report.

Climate-related risks and opportunities are monitored by the Risk Management Task Force (RMTF) on a semi-annual basis, alongside all other business risks. This regular review process facilitates the timely identification of emerging issues and adjustments of mitigation strategies where appropriate. To enhance the climate risk identification and assessment, the Group has engaged an independent third-party consultant to provide advisory support. This collaboration enables the Group to leverage external expertise in monitoring industry-specific trends and integrating climate considerations into strategic planning, thereby strengthening the overall effectiveness of its risk management framework.

Metrics and Targets

The Group discloses key metrics and targets to assess and manage climate-related risks and opportunities, in alignment with its strategy and risk management processes. These metrics and targets support performance monitoring, inform decision-making, and provide transparency regarding progress towards the Group's sustainability objectives.

In developing its climate-related targets, the Group takes into consideration the objectives of the Paris Agreement⁷. Practical targets have been established across relevant ESG areas to guide implementation efforts and mitigate climate impacts. These targets are generally developed with reference to current performance levels, including recent baseline data, and are designed to maintain or progressively improve performance while supporting sustainable business growth and operational continuity.

⁷ This involves aligning the Group's climate targets with the Paris Agreement's objectives. Climate considerations are progressively integrated into operational practices and strategic planning, with an approach that remains pragmatic and proportionate to the Group's current scale, operational profile and business circumstances.

Metrics and Targets *(Continued)*

The Board assumes overall responsibility for overseeing metrics and targets, conducting semi-annual reviews of climate-related targets, evaluating performance against emission metrics and operational initiatives, and ensuring targets remain appropriate in light of regulatory expectations and business conditions. The ESG Taskforce supports these oversight process by preparing performance updates, target tracking reports and relevant supporting information for the Board's consideration. As part on its ongoing efforts to strengthen governance and enhance disclosure quality, the Group intends to consider the appointment of independent professional third parties in future to validate its targets and related methodologies, as part of its ongoing efforts to strengthen governance and disclosure quality.

Targets

ESG aspects	Targets ⁸
1. Emissions ⁹	The Group aims to keep its carbon emission levels as minimal, ensuring that total emissions for the current reporting year remain consistent with or lower than those of the preceding year (emissions decreased from 113.79 tonnes of CO ₂ e in 2024 to 13.55 tonnes of CO ₂ e in 2025, representing a reduction of approximately 88%).
2. Wastes	The Group aims to minimise the generation and disposal of both hazardous and non-hazardous wastes, ensuring that levels for the current reporting year remain as close to the previous year's levels as possible (wastes decreased from 0.23 tonnes in 2024 to 0.08 tonnes in 2025, representing a reduction of approximately 67%).
3. Energy efficiency	The Group aims to keep its electricity consumption as minimal, ensuring that consumption for the current reporting year remains consistent with or improved upon when compared to the preceding year (consumption decreased from 193,467 kWh in 2024 to 7,757 kWh in 2025, representing a reduction of approximately 96%).
4. Water efficiency	Not applicable as water consumption is covered by the lessor ¹⁰ .

⁸ ESG targets align with the scope of the Group's ESG reporting, covering core operations and subsidiaries, which are reviewed annually and adjusted based on the Group's operational changes, regulatory developments, and performance data. In addition, the significant decrease of data compared with the previous reporting period was primarily due to the exclusion of Wuhan Junyi from the Group's reporting boundary in the current year, and therefore may not be directly comparable with prior year figures.

⁹ The gross emission target is absolute-based, explicitly including Scope 1 and Scope 2 only. In the Reporting Year, the Group did not use any sectoral decarbonisation method and has no short-term intention to employ carbon credits to offset GHG emissions in achieving any net emissions target, though it may explore the use of carbon credits in the longer term.

¹⁰ Water consumption data is not available for the Reporting Period, as water usage is covered under the Group's lease arrangements and is not separately metered or billed to the Group. The Group will continue to assess the feasibility of improving data collection where practicable.



Metrics and Targets *(Continued)*

Metrics

To support effective monitoring of climate-related risks and opportunities, the Group is committed to mitigating GHG emissions and reducing negative impacts on the environment generated during its daily operations. The Group continuously tracks and analyses its carbon footprint to identify potential areas for reduction and to enhance transparency for stakeholders regarding its emissions performance and progress.

The Group currently monitors and reports Scope 1 and Scope 2 emissions arising primarily from petrol consumption and purchased electricity, as well as selected Scope 3 emissions, including emissions associated with waste disposal and business travel. Going forward, the Group intends to progressively broaden its Scope 3 assessment to cover additional upstream and downstream value chain activities, with a view to enhancing the completeness and transparency of its carbon footprint disclosure.

During the Reporting Year, the Group has identified two major sources of emissions: petrol and electricity. The details of our GHG emissions are as follows:

Greenhouse gas emissions ¹¹	Unit	2025	2024
Scope 1 emissions	tonnes CO ₂ e	9.32	11.26
Scope 2 emissions (location-based)	tonnes CO ₂ e	4.23	102.53
Scope 1 and 2 emissions	tonnes CO ₂ e	13.55	113.79
Scope 1 and 2 emissions intensity	tonnes CO ₂ e per HKD1 million of revenue	0.0001	3.63
Scope 3 emissions: Category 5 – Waste Generated in Operations	tonnes CO ₂ e	0.05	–
Scope 3 emissions: Category 6 – Business Travel	tonnes CO ₂ e	18.27	–

¹¹ While the Group continues to refine the ESG data collection, the greenhouse gas emission are calculated with reference of emission factors from the GHG Protocol published by the World Resources Institute and the World Business Council on Sustainable Development, the Calculation Tools and Guidance: Emission Factors published by GHG Protocol, UK Government GHG Conversion Factors for Company Reporting published by the Department for Business, Energy and Industrial Strategy in the UK, GHG Emission Factors Hub published by the United States Environmental Protection Agency, the National Grid Average CO₂ Emission Factors for 2023 published by the Ministry of Ecology and Environment of the People's Republic of China, and the Reporting Guidance on Environmental KPIs published by HKEx, to guide the emissions measurement approach where applicable. During the Reporting Period, there were no changes to the Group's measurement approaches, inputs or assumptions. Except excluding Wuhan Junyi, we apply operational control measurement approach due to the ability to take full ownership of all GHG emissions we can directly influence and reduce. The GHG emissions are location-based, with emission factors updated annually are updated on an annual basis to reflect the actual situation regarding emissions.

Metrics and Targets *(Continued)*

Metrics *(Continued)*

In addition, the Group continues to strengthen its framework for monitoring and accounting for climate-related financial metrics. Details relating to internal carbon pricing, together with quantitative financial information on assets or business activities affected by climate-related physical risks, transition risks and opportunities, will be considered for disclosure in future reporting periods following the establishment of robust data collection processes and evaluation methodologies.

Air Emissions

In 2025, the Group achieved a notable decrease in absolute GHG emission, nitrogen oxide (“**NOx**”), sulfur oxide (“**SOx**”) and particulate matter (“**PM**”). This reduction was attributable to the cessation of business activities at Wuhan Junyi and the reduced use of company vehicles by the Hong Kong office during the year.

During this Reporting Period, the air emissions of the Group were as follows:

Types of emission ¹²	Unit	2025	2024
NOx	kilogram	1.34	1.61
SOx	kilogram	0.05	0.06
PM”	kilogram	0.10	0.12

To minimise emissions from existing vehicles, we have centralised the vehicle management and optimised route planning to reduce overall travel distances. Moreover, we have prioritised vehicles with higher fuel efficiency to lower fuel consumption and vehicle emissions. We have also closely monitored the conditions of our working vehicles, which have passed the annual inspections by local authorities.

Recognising that air pollutants may adversely affect employee health and productivity, the Group remains committed to providing a safe and healthy workplace environment. Emission control measures are therefore implemented not only to reduce environmental impact but also to safeguard employee wellbeing.

The Group is committed to complying with environmental laws and regulations, including the Air Pollution Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance and Noise Control Ordinance in Hong Kong, and the Environmental Protection Law of the People’s Republic of China, the Law of the People’s Republic of China on Energy Conservation. During the Reporting Period, no cases of non-compliance with above-mentioned environmental laws and regulations were identified, and no penalties were imposed in relation to vehicles emissions or other air-related matters.

¹² The calculation of air emissions was based on the “Reporting Guidance on Environmental KPIs” issued by HKEx.



Metrics and Targets *(Continued)*

Waste Management

The Group is committed to minimising the environmental impact arising from handling and disposal of wastes generated in its operations. The principles of “Reduce”, “Reuse”, “Recycle” and “Replace” are incorporated into the Group’s waste management policy, with the objective of reducing waste generation at source and ensuring that waste materials are handled in an environmentally friendly manner. To achieve these objectives, we have developed and implemented an effective waste management programme in our operations to encourage source separation, reuse and recycling practices.

We also place emphasis on enhancing employee awareness of the importance of waste reduction through green procurement practices and administrative measures. All waste handling activities are conducted in compliance with applicable laws and regulations, and with due regard to environment protection and human health.

Following the cessation of business activities at Wuhan Junyi during the Reporting Period, no motor oil, engine antifreeze or used vehicle were generated in 2025. Hazardous waste generated during the Reporting Period mainly comprised used ink cartridges from office operations.

Hazardous waste is collected and handled by government-approved licensed service providers. The Group conducts periodic reviews to ensure that disposal practices comply with the required standards.

During this Reporting Period, the hazardous waste generation is set out below:

Type of resource	Unit	2025		2024	
		Amount	Intensity (per HK\$1 million of revenue)	Amount	Intensity (per HK\$1 million of revenue)
Motor oil	Tonnes	0	0	0.12	0.0039
Antifreeze	Tonnes	0	0	0.01	0.0002
Batteries	Tonnes	0	0	0.01	0.0004
Ink-cartridge	Tonnes	0.001	0.00003	0.013	0.0004

The major non-hazardous waste generated during the Reporting period was office paper. The Group continues to promote paper-saving initiatives and digitalisation to reduce waste generation.

Metrics and Targets *(Continued)*

Waste Management *(Continued)*

To minimise paper consumption, the Group uses recycled paper, adopts duplex printing for internal documents, and reduces paper-based communication through electronic systems. Employees are encouraged to use electronic files instead of printing and scanning physical documents. These measures help address and reduce the Group's primary source of non-hazardous waste.

A comparison of paper consumption for 2025 and 2024 is set out below:

Type	Unit	2025		2024	
		Amount	Intensity (per HKD1 million of revenue)	Amount	Intensity (per HKD1 million of revenue)
Paper	Tonnes	0.075	0.0008	0.079	0.00251

Resources Conservation

The Group is committed to conserving natural resources to enhance both environmental and operating efficiency. The major resources consumed in the Group's operations include electricity and fuel. The Group integrates resources efficiency considerations into its operational management and encourages participation at all levels to promote responsible resources use.

To manage resource consumption, the Group has implemented a range of environmentally friendly measures across its operations and workplaces. These include the use of energy-efficient devices and equipment, such as LED lighting, energy-efficient air-conditioning systems, air-handling systems, and appliances with Grade 1 energy labels. Green office practices have also been adopted, including switching off idle lighting and office equipment. Separate light switches have been installed for different lighting zones, and motion sensors have been deployed in low-occupancy areas. Regular inspections and maintenance are conducted to ensure the efficiency of equipment and appliances. The Group will continue to identify emission hotspots and prioritise reduction measures.

In addition, internal communications and signage are regularly used to promote resource conservation awareness among employees. Electricity and fuel consumption are monitored periodically to assess usage trends and support the development of improvement measures. The Group also keeps abreast of technological advancements in machinery, systems and infrastructure to enhance resource efficiency where feasible.



Resources Conservation (Continued)

The following table summarises our resource consumption during this Reporting Period:

Type of resource	Unit	2025		2024	
		Amount	Intensity (per HKD1 million of revenue)	Amount	Intensity (per HKD1 million of revenue)
Electricity	kWh	7,757	80.43	193,467	6,176.68
Petrol	Litre	3,504	36.34	4,232	135.10
Water	m ³	0	0	510	16.28

Electricity and petrol consumption decreased significantly compared to the previous year, primarily due to the cessation of business activities at Wuhan Junyi and the reduced use of company vehicles by the Hong Kong office. The Hong Kong office's water consumption was excluded from this report, as its water bills were covered by the lessor who shared the same ownership as the Group. Hudson office's water consumption was included in property management fees. Accordingly, no standalone water consumption data was available during the Reporting Period.

Going forward, the Group will explore opportunities to further reduce electricity consumption, such as collaborating with relevant parties, retrofitting, and incorporating sustainable technologies to improve our electricity efficiency. The ESG taskforce will continue to broaden the scope of the Group's green initiatives and identify further energy-saving opportunities in support of its commitment to sustainable development and environmental stewardship.

The Environmental and Natural Resources

In addition to the environmental impacts described above, the Group also considers other potential impacts on the environment and natural resources when making investment decisions and planning future development.

Given the nature of the Group's operations, environmental impacts are generally limited. Minor impacts, such as light emissions from showroom lightning, may arise during daily operations. To mitigate such impacts, appropriate design measures and energy-efficient equipment have been adopted to reduce environmental impacts.

To protect the environment and natural resources, the Group regularly monitors environmental risks associated with its business operations. Periodic evaluations are conducted to identify potential environmental impacts, and preventive measures are implemented where necessary to mitigate risks and ensure compliance with applicable environmental laws and regulations. Apart from the above, the Group has not identified any other significant environmental impacts in our operations, such as major pollution incidents or violations of relevant environmental protection laws and regulations, during the Reporting Period.

APPENDIX – ENVIRONMENTAL PERFORMANCE SUMMARY

Hong Kong and Hudson	Unit	2025	2024
A1. Emissions			
Scope 1 emissions	tonnes CO ₂ e	9.32	11.26
Scope 2 emissions (location-based)	tonnes CO ₂ e	4.23	102.53
Scope 1 and 2 emissions	tonnes CO ₂ e	13.55	113.79
Scope 1 and 2 emissions intensity	tonnes CO ₂ e	0.0001	3.63
Scope 3 emissions: Category 5 – Waste Generated in Operations	tonnes CO ₂ e	0.05	–
Scope 3 emissions: Category 6 – Business Travel	tonnes CO ₂ e	18.27	–
A1.3 Hazardous Waste			
Motor Oil	tonnes	–	0.12
Antifreeze	tonnes	–	0.01
Batteries	tonnes	–	0.01
Ink-cartridge	tonnes	0.001	0.01
Hazardous Waste Intensity			
Motor Oil	tonnes/(HKD1 Mill in Revenue)	–	0.0039
Antifreeze	tonnes/(HKD1 Mill in Revenue)	–	0.0002
Batteries	tonnes/(HKD1 Mill in Revenue)	–	0.0004
Ink-cartridge	tonnes/(HKD1 Mill in Revenue)	–	0.00042
A1.4 Non-hazardous Waste			
Paper	tonnes	0.075	0.078
Plastic Bottles	tonnes	–	–
Non-Hazardous Waste Intensity			
Paper	tonnes/(HKD1 Mill in Revenue)	0.0008	0.0025
Plastic Bottles	tonnes/(HKD1 Mill in Revenue)	–	–
A2.1 Energy Consumption			
Electricity	kWh	7,757	193,467
Petrol	Litres	3,504	4,232
Electricity	kWh/(HKD1 Mill in Revenue)	80.43	6,176.68
Petrol	Litre/(HKD1 Mill in Revenue)	36.34	135.10
A2.2 Water Consumption			
Water Consumption	m ³	–	510
Water Intensity			
Water Consumption	m ³ /(HKD 1 Mill in Revenue)	–	16.28



APPENDIX – SOCIAL PERFORMANCE SUMMARY

Hong Kong, Hudson and Wuhan Junyi	Category	2025	2024
B1. Employment (No. of individuals)¹			
Total workforce by gender	Male	22	24
	Female	12	15
Total workforce by age group	Below 30	7	6
	30-50	19	26
	Over 50	8	7
Total workforce by employment type	Full-time	27	24
	Part-time	7	6
	Contractor	–	9
Total workforce by employee category	General Staff	14	19
	Middle management	10	12
	Senior management	10	8
Employee resigned/terminated by gender	Male	4	10
	Female	5	9
Employee resigned/terminated by age group	Below 30	4	2
	30-50	4	17
	Over 50	1	–
B1. Employment (Turnover Rate)¹			
Employee turnover rate by gender	Male	18%	42%
	Female	42%	60%
Employee turnover rate by age group	Below 30	57%	33%
	30-50	21%	65%
	Over 50	13%	–
B2. Health and safety			
Work-related fatalities ²	No. of fatalities	–	–
Lost days due to work injury	No. of days	–	–
B3. Development and training (No. of individuals)³			
No. of employee trained by gender	Male	18	16
	Female	9	8
No. of employee trained by employee category	General	11	10
	Middle management	6	6
	Senior management	10	8

APPENDIX – SOCIAL PERFORMANCE SUMMARY (Continued)

Hong Kong, Hudson and Wuhan Junyi	Category	2025	2024
B3. The percentage of employees trained by gender and employee category ³			
Percentage of employees trained by gender	Male	82%	67%
	Female	75%	53%
Percentage of employees trained by employee category	General Staff	79%	53%
	Middle management	60%	50%
	Senior management	100%	100%
B4. Development and training (Hours) ³			
Average training hours by gender	Male	1.99	2.04
	Female	7.72	7.22
Average training hours by employee category	General	4.45	3.40
	Middle management	7.83	6.63
	Senior management	3.22	3.69
B5. Supply chain management (No. of suppliers)			
No. of suppliers by geographical region	Mainland China	38	12
	Italy	–	1
B6. Product responsibility (Number of cases)			
Percentage% of total products sold subject to recall	%	–	–
No. of service-related complaints received	Complaint	–	–
B7. Anti-corruption			
No. of concluded legal cases relating to corruption	Case	–	–
B8. Community investment			
Total monetary donation amount	HKD equivalent	2,000	–

1. The turnover rate was calculated as the total number of resigned or terminated employees per category divided by the total number of employees per category at year-end.
2. During the Reporting Period, there was no work-related fatalities.
3. The training data includes only the number of employees as at year-end, meaning that training provided to resigned or terminated staff is not accounted for. Going forward, the Group aims to encourage and provide more trainings to employees as possible.



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE

General Disclosures and KPIs	Description	Reference (Page Number)	Relevant Section and Remarks
Environmental			
Aspect A1: Emissions			
General Disclosure		p.82-83	<p>Please refer to “Metrics and Targets” and “Waste Management” section.</p> <p>There were no cases of non-compliance regarding greenhouse gas emissions, water and waste noted during this Reporting Period.</p>
KPI A1.1	The types of emissions and respective emissions data	p.82, 87	
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity	p.82, 87	
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity	p.84, 87	
KPI A1.4	Total non-hazardous waste produced and, where appropriate, intensity	p.84, 87	
KPI A1.5	Description of emissions target(s) set and steps taken to achieve them	p.81-83	
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	p.84-85	

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

General Disclosures and KPIs		Description	Reference (Page Number)	Relevant Section and Remarks
Aspect A2: Use of Resources				
General Disclosure			p.85-86	Please refer to “Metrics and Targets” and “Resources Conservation” section.
KPI A2.1	Direct and/or indirect energy consumption by type in total (kWh in '000s) and intensity		p.86-87	
KPI A2.2	Water consumption in total and intensity		p.86-87	
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them		p.81, 86-87	
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		p.81, 86	
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced		N/A	Packaging material is not material to the Group’s operations.
Aspect A3: The Environment and Natural Resources				
General Disclosure			p.86	Please refer to “The Environment and Natural Resources” section.
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them		p.86	



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

General Disclosures and KPIs		Description	Reference (Page Number)	Relevant Section and Remarks
Social				
Aspect B1: Employment				
General Disclosure			p.65-66	Please refer to “Employment Practices” section. No cases of non-compliance with employment-related laws and regulations were noted during the Reporting Period.
KPI B1.1	Total workforce by gender, employment type, age group and geographical region	p.88		
KPI B1.2	Employee turnover rate by gender, age group and geographical region	p.88		
Aspect B2: Health and Safety				
General Disclosure			p.66-67	Please refer to “Workplace Health and Safety” section. No instances of non-compliance with occupational health and safety-related laws and regulations, including the Law of the People’s Republic of China on Work Safety and the Occupational Safety and Health Ordinance in Hong Kong, were noted during this Reporting Period.
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year	p.67, 88		
KPI B2.2	Lost days due to work injury	p.88		
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored	p.66-67		
Aspect B3: Development and Training				
General Disclosure			p.67	Please refer to “Staff Training” section.
KPI B3.1	The percentage of employees trained by gender and employee category	p.89		
KPI B3.2	The average training hours completed per employee by gender and employee category	p.89		

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

General Disclosures and KPIs		Description	Reference (Page Number)	Relevant Section and Remarks
Aspect B4: Labour Standards				
General Disclosure			p.67-68	Please refer to "Anti-Child and Forced Labour" section. No instances of non-compliance with Employment Ordinance or other laws and regulations related to child and forced labour were noted during the Reporting Period.
KPI B4.1	Description of measures to review employment practices to avoid child or forced labor	p.67-68		
KPI B4.2	Description of steps taken to eliminate such practices when discovered	p.67-68		
Aspect B5: Supply Chain Management				
General Disclosure			p.68	Please refer to "Supplier Practices" section. No cases of non-compliance were noted in this Reporting Period. No cases of non-compliance were noted in this Reporting Period.
KPI B5.1	Number of suppliers by geographical region	p.68, 89		
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	p.68		
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored	p.68		
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored	p.68		



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

General Disclosures and KPIs		Description	Reference (Page Number)	Relevant Section and Remarks
Aspect B6: Product Responsibility				
General Disclosure			p.69-70	No cases of complaints were noted in this Reporting Period. No cases of recall were noted in this Reporting Period.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons		p.70, 89	Please refer to "Quality assurance process and recall procedures" section.
KPI B6.2	Number of products and service related complaints received and how they are dealt with		p.69-70, 89	Please refer to "Products and Services" section.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights		p.70	Please refer to "Intellectual Property Rights" section
KPI B6.4	Description of quality assurance process and recall procedures		p.70	Please refer to "Quality assurance process and recall procedures" section.
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored		p.69	Please refer to "Data Privacy" section.
Aspect B7: Anti-corruption				
General Disclosure			p.71	Please refer to "Anti-Corruption and Money Laundering" section. No cases of non-compliance were noted in this Reporting Period. No cases of non-compliance were noted in this Reporting Period.
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		p.71, 89	
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored		p.71	
Aspect B8: Community Investment				
General Disclosure			p.72	Please refer to "Community Engagement" section.
KPI B8.1	Focus areas of contribution		p.72	
KPI B8.2	Resources contributed to the focus area		p.72	

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE *(Continued)*

Climate-related Disclosure		Relevant Section and Remarks
(I) Governance		
19. An issuer shall disclose information about:		
(a)	<p>the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <p>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</p> <p>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</p> <p>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer’s strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities;</p> <p>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</p>	<p>Please refer to “ESG Governance” section.</p>



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE *(Continued)*

Climate-related Disclosure		Relevant Section and Remarks
(b)	<p>management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <p>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</p> <p>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</p>	
(II) Strategy		
Climate-related risks and opportunities		
20. An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:		
(a)	describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;	Please refer to “Climate-related Strategy” section.
(b)	explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;	
(c)	specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	
(d)	explain how the issuer defines ‘short term’, medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.	

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE *(Continued)*

Climate-related Disclosure		Relevant Section and Remarks
Business model and value chain		
21. An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:		
(a)	a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and	Please refer to “Climate-related Strategy” section.
(b)	a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	
Strategy and decision-making		
22. An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:		



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

Climate-related Disclosure		Relevant Section and Remarks
(a)	<p>information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)), described in accordance with paragraphs 37 to 40; and</p>	<p>For (i)-(iii), Please refer to “Climate-related Strategy” section.</p> <p>For (iv), please refer to “Climate-related Strategy”, “Metrics and Targets”, “Air Emissions” and “Resources Conservation” section.</p>
(b)	<p>information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	<p>Please refer to “Climate-related Strategy” section.</p>
23.	<p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	<p>Please refer to “Climate-related Strategy”, “Metrics and Targets”, “Air Emissions” and “Resources Conservation” section.</p>

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

Climate-related Disclosure		Relevant Section and Remarks
Financial position, financial performance and cash flows		
Current financial effect		
24. An issuer shall disclose qualitative and quantitative information about:		
(a)	how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and	Please refer to “Climate-related Strategy” section.
(b)	the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	
Anticipated financial effect		
25. The issuer shall provide qualitative and quantitative disclosures about:		
(a)	how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and	Please refer to “Climate-related Strategy” section; and in the absence of reasonable and supportable information, the Group is currently unable to determine the anticipated financial effects of climate related risks and opportunities without undue cost or effort. The Group will explore updating its climate resilience analysis to better evaluate how climate related risks and opportunities may affect its financial position, performance, and cash flows.
(b)	how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE *(Continued)*

Climate-related Disclosure		Relevant Section and Remarks
Climate resilience		
26. An issuer shall disclose information that enables an understanding of the resilience of the issuer’s strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the issuer’s identified climate-related risks and opportunities. An issuer shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with an issuer’s circumstances. In providing quantitative information, the issuer may disclose a single amount or a range. Specifically, the issuer shall disclose:		
(a)	<p>the issuer’s assessment of its climate resilience as at the reporting date, which shall enable an understanding of:</p> <ul style="list-style-type: none"> (i) the implications, if any, of the issuer’s assessment for its strategy and business model, including how the issuer would need to respond to the effects identified in the climate-related scenario analysis; (ii) the significant areas of uncertainty considered in the issuer’s assessment of its climate resilience; and (iii) the issuer’s capacity to adjust, or adapt its strategy and business model to climate change over the short, medium or long term; 	Please refer to “Climate-related Strategy” section.
(b)	<p>how and when the climate-related scenario analysis was carried out, including:</p> <ul style="list-style-type: none"> (i) information about the inputs used, including: <ul style="list-style-type: none"> (1) which climate-related scenarios the issuer used for the analysis and the sources of such scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the issuer used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change; (5) why the issuer decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) time horizons the issuer used in the analysis; and (7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis); (ii) the key assumptions the issuer made in the analysis; and (iii) the reporting period in which the climate-related scenario analysis was carried out. 	

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

Climate-related Disclosure		Relevant Section and Remarks
(III) Risk Management		
27. An issuer shall disclose information about:		
(a)	<p>the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> (i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes); (ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks; (iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria); (iv) whether and how the issuer prioritises climate-related risks relative to other types of risks; 	Please refer to "Risk Management" section.
(b)	the processes the issuer uses to identify, assess, prioritise and monitor climate-related opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and	
(c)	the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.	
(IV) Metrics and Targets		
Greenhouse gas emissions		
28. An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO ₂ equivalent, classified as:		
(a)	Scope 1 greenhouse gas emissions;	Please refer to "Metrics and Targets" section.
(b)	Scope 2 greenhouse gas emissions; and	
(c)	Scope 3 greenhouse gas emissions.	



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

Climate-related Disclosure		Relevant Section and Remarks
29.	An issuer shall:	
(a)	measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;	
(b)	disclose the approach it uses to measure its greenhouse gas emissions including: <ul style="list-style-type: none"> (i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions; (ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; 	Please refer to “Metrics and Targets” section.
(c)	for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer’s Scope 2 greenhouse gas emissions; and	
(d)	for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).	

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE *(Continued)*

Climate-related Disclosure		Relevant Section and Remarks
Climate-related transition risks		
30.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Please refer to “Metrics and Targets” section.
Climate-related physical risks		
31.	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Please refer to “Metrics and Targets” section.
Climate-related opportunities		
32.	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Please refer to “Metrics and Targets” section.
Capital deployment		
33.	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Please refer to “Climate-related Strategy” section.
Internal carbon prices		
34.	An issuer shall disclose:	
(a)	an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and	Please refer to “Metrics and Targets” section.
(b)	the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions;	
Remuneration		
35.	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Please refer to “ESG Governance” section.
Industry-based metrics		
36.	An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.	The Group does not currently disclose industry-based metrics associated with its business models, activities, or other common industry features.



CONTENT INDEX FOR HKEX ESG REPORTING GUIDE (Continued)

Climate-related Disclosure		Relevant Section and Remarks
Climate-related targets		
37. An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:		
(a)	the metric used to set the target;	Please refer to “Metrics and Targets” section.
(b)	the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	
(c)	the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);	
(d)	the period over which the target applies;	
(e)	the base period from which progress is measured;	
(f)	milestones or interim targets (if any);	
(g)	if the target is quantitative, whether the target is an absolute target or an intensity target; and	Please refer to “Metrics and Targets” section.
(h)	how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
38. An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:		
(a)	whether the target and the methodology for setting the target has been validated by a third party;	Please refer to “Metrics and Targets” section.
(b)	the issuer’s processes for reviewing the target;	
(c)	the metrics used to monitor progress towards reaching the target; and	
(d)	any revisions to the target and an explanation for those revisions.	
39. An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer’s performance.		

CONTENT INDEX FOR HKEX ESG REPORTING GUIDE *(Continued)*

Climate-related Disclosure		Relevant Section and Remarks
40.	For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:	
(a)	which greenhouse gases are covered by the target;	Please refer to “Metrics and Targets” section.
(b)	whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;	
(c)	whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;	
(d)	whether the target was derived using a sectoral decarbonisation approach; and	
(e)	the issuer’s planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose: <ul style="list-style-type: none"> (i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits; (ii) which third-party scheme(s) will verify or certify the carbon credits; (iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and (iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset). 	
Applicability of cross-industry metrics and industry-based metrics		
41.	In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).	Please refer to “Metrics and Targets” section.

INDEPENDENT AUDITOR'S REPORT



Deloitte.

德勤

TO THE SHAREHOLDERS OF AUTO ITALIA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of Auto Italia Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 111 to 194, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

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

Key audit matter

How our audit addressed the key audit matter

Valuation of investment properties located in Scotland

We identified the valuation of investment properties located in Scotland as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole, combined with the significant management judgements and estimates associated with determining the fair value.

As set out in note 4 to the consolidated financial statements, the investment properties are located in Scotland with carrying amount of HK\$460,441,000 as at 31 December 2025, which represents approximately 60.5% of total assets of the Group as at 31 December 2025, and a gain from changes in fair value of HK\$21,628,000 was recognised in the consolidated statement of profit or loss for the year then ended.

As disclosed in note 16 to the consolidated financial statements, the Group's investment properties are held at fair value based on the valuation performed by an independent qualified professional valuer ("**Scotland IP valuer**") by using income approach, which is dependent on certain key unobservable inputs including term yield and reversionary yield and market rental with considerably more subjective management judgements and estimates involved. The fair value is adjusted to exclude prepaid or accrued lease income.

Our procedures in relation to valuation of the investment properties included:

- Understanding the approach and controls applied by management in determination of the fair value of the investment property;
- Obtaining the valuation report from management, evaluating the competence, capabilities and objectivity of the Scotland IP valuer;
- Obtaining an understanding of the valuation process and assessing the valuation methodology used by the management and the Scotland IP valuer;
- Engaging our valuation specialists to assess the reasonableness of the key unobservable inputs including (i) the term yield and reversionary yield adopted by the Scotland IP valuer, by comparing to the relevant published market data with yield data and (ii) market rental adopted by the Scotland IP valuer, by comparing to the market rental for comparable properties in similar grade and location; and
- Checking the accuracy of rental income and lease terms, on a sample basis, used in the valuation by agreeing those key data to the respective underlying tenancy agreements.



OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our 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 Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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 solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

Independent Auditor's Report



- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Wong Lam Ching (practising certificate number: P05740).

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025

	NOTES	Continuing operations		Discontinued operation		Total	
		2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Revenue from goods and services	5	68,133	1,172	308	3,510	68,441	4,682
Rental income	5	28,000	26,640	-	-	28,000	26,640
Total revenue		96,133	27,812	308	3,510	96,441	31,322
Cost of sales and services		(68,760)	(7,975)	(1,046)	(2,852)	(69,806)	(10,827)
Gross profit (loss)		27,373	19,837	(738)	658	26,635	20,495
Other income	7	6,610	684	-	248	6,610	932
Other gains and losses	8	(47,717)	(55,395)	-	(28)	(47,717)	(55,423)
Selling and distribution costs		(5,233)	(446)	(252)	(1,614)	(5,485)	(2,060)
Administrative expenses		(33,383)	(22,603)	(3,438)	(5,191)	(36,821)	(27,794)
Finance costs	9	(42,644)	(33,715)	-	(66)	(42,644)	(33,781)
Loss before taxation		(94,994)	(91,638)	(4,428)	(5,993)	(99,422)	(97,631)
Taxation	10	3,375	625	-	-	3,375	625
Loss for the year	11	(91,619)	(91,013)	(4,428)	(5,993)	(96,047)	(97,006)
Loss for the year attributable to owners of the Company:							
- from continuing operations						(94,728)	(96,143)
- from discontinued operation						(4,428)	(5,993)
						(99,156)	(102,136)
Profit for the year attributable to non-controlling interests:							
- from continuing operations						3,109	5,130
Loss for the year						(96,047)	(97,006)
Loss per share (from continuing and discontinued operations)							
- Basic	14					(HK1.87 cent)	(HK1.93 cent)
- Diluted	14					(HK1.87 cent)	(HK1.93 cent)
Loss per share (from continuing operations)							
- Basic	14					(HK1.79 cent)	(HK1.82 cent)
- Diluted	14					(HK1.79 cent)	(HK1.82 cent)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025



	2025 HK\$'000	2024 HK\$'000
Loss for the year	(96,047)	(97,006)
Other comprehensive income (expense) for the year		
<i>Item that may be subsequently reclassified to profit or loss:</i>		
Exchange differences arising on translation of foreign operations	17,480	(2,763)
Total comprehensive expense for the year	(78,567)	(99,769)
Total comprehensive (expense) income for the year		
attributable to:		
Owners of the Company	(86,567)	(107,011)
Non-controlling interests	8,000	7,242
	(78,567)	(99,769)
Total comprehensive expense for the year		
attributable to owners of the Company:		
– from continuing operations	(85,438)	(106,867)
– from discontinued operation	(1,129)	(144)
	(86,567)	(107,011)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	NOTES	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Investment properties	16	504,241	455,605
Property, plant and equipment	17	8,154	5,353
Right-of-use assets	18	2,928	4,583
Goodwill	19	–	64,220
Intangible assets	20	–	24,372
Investment of an associate measured at fair value through profit or loss (“FVTPL”)	21	–	40,402
Financial asset at FVTPL	22	–	130,743
Trade and other receivables	24	5,074	10,534
		520,397	735,812
Current assets			
Inventories	23	4,385	6,910
Trade and other receivables	24	70,236	17,094
Financial asset at FVTPL	22	151,498	15,965
Tax recoverable		–	10
Pledged bank deposits	25	8,564	3,304
Bank balances and cash	25	5,606	18,116
		240,289	61,399
Current liabilities			
Trade and other payables	26	58,136	35,161
Tax payable		6,376	–
Bank and other borrowings	27	261,299	262,480
Loan from a related party	29	11,112	10,643
Loan from a non-controlling member of a subsidiary	28	13,373	11,377
Lease liabilities	30	2,124	2,573
		352,420	322,234
Net current liabilities		(112,131)	(260,835)
Total assets less current liabilities		408,266	474,977

Consolidated Statement of Financial Position

At 31 December 2025



	NOTES	2025 HK\$'000	2024 HK\$'000
Capital and reserves			
Share capital	32	121,850	121,850
Reserves		4,170	90,737
Equity attributable to owners of the Company		126,020	212,587
Non-controlling interests		62,926	54,926
Total equity		188,946	267,513
Non-current liabilities			
Other borrowings	27	97,393	119,374
Loan from a shareholder	29	33,279	–
Promissory notes	31	86,187	77,740
Deferred taxation	33	1,058	7,271
Lease liabilities	30	1,403	3,079
		219,320	207,464
		408,266	474,977

The consolidated financial statements on pages 111 to 194 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

CHONG Tin Lung Benny
DIRECTOR

LIN Chun Ho Simon
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital HK\$'000	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Property revaluation reserve HK\$'000 (Note a)	Translation reserve HK\$'000	Other reserve HK\$'000 (Note b)	Accumulated losses HK\$'000	Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
At 1 January 2024	105,850	265,726	2,151	19,362	19,246	(7,319)	166,431	(406,822)	164,625	46,658	211,283
(Loss) profit for the year	-	-	-	-	-	-	-	(102,136)	(102,136)	5,130	(97,006)
Other comprehensive (expense) income for the year	-	-	-	-	-	(4,875)	-	-	(4,875)	2,112	(2,763)
Total comprehensive (expense) income for the year	-	-	-	-	-	(4,875)	-	(102,136)	(107,011)	7,242	(99,769)
Acquisition of subsidiaries (note 35)	16,000	139,999	-	-	-	-	-	-	155,999	-	155,999
Share allotment of a subsidiary (note c)	-	-	-	-	-	-	-	(1,026)	(1,026)	1,026	-
At 31 December 2024	121,850	405,725	2,151	19,362	19,246	(12,194)	166,431	(509,984)	212,587	54,926	267,513
(Loss) profit for the year	-	-	-	-	-	-	-	(99,156)	(99,156)	3,109	(96,047)
Other comprehensive income for the year	-	-	-	-	-	12,589	-	-	12,589	4,891	17,480
Total comprehensive income (expense) for the year	-	-	-	-	-	12,589	-	(99,156)	(86,567)	8,000	(78,567)
At 31 December 2025	121,850	405,725	2,151	19,362	19,246	395	166,431	(609,140)	126,020	62,926	188,946

Notes:

- (a) The property revaluation reserve represents the change in use of a property from owner-occupied property to investment property in previous years.
- (b) The other reserve of the Group was transferred from the share premium pursuant to the capital re-organisation and the changes in the Group's ownership interest in its subsidiaries in previous years.
- (c) On 19 December 2024, the Group's subsidiary allotted new shares for the purpose of repayment of other borrowings and certain non-controlling interest shareholders of the subsidiary have not subscribed the new shares. Following the new share allotment, the Group's shareholding in Dakota RE II Limited increase from 69.15% to 70.57%.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025



	NOTE	2025 HK\$'000	2024 HK\$'000
OPERATING ACTIVITIES			
Loss before taxation		(99,422)	(97,631)
Adjustments for:			
Depreciation of property, plant and equipment		1,704	2,302
Depreciation of right-of-use assets		1,816	1,008
Amortisation of intangible assets		3,249	544
Impairment loss on property, plant and equipment		–	1,081
Impairment loss on intangible assets		22,113	–
Impairment loss on goodwill		67,049	–
Impairment loss on other receivables		5,892	–
Interest income		(149)	(414)
Interest expenses		42,644	33,781
Gain on lease modification		–	(33)
Fair value (gain) loss on investment of an associate measured at FVTPL		(1,659)	76,142
Fair value (gain) loss on financial assets measured at FVTPL		(30,083)	4,858
Fair value gain of investment properties		(15,727)	(26,163)
Loss on disposal of property, plant and equipment		29	61
Operating cash flows before movements in working capital		(2,544)	(4,464)
Decrease (increase) in inventories		2,759	(5,261)
(Increase) decrease in trade and other receivables		(24,307)	14,937
Increase in trade and other payables		24,986	3,037
Net cash from operations		894	8,249
Income tax paid		(110)	(4)
NET CASH FROM OPERATING ACTIVITIES		784	8,245
INVESTING ACTIVITIES			
Withdrawal of pledged bank deposits		2,938	2,241
Placement of pledged bank deposits		(7,972)	–
Net cash inflow on acquisition of a subsidiary	35	–	1,672
Interest received		149	414
Deposit paid for acquisition of property, plant and equipment		–	(5,641)
Proceeds on disposal of property, plant and equipment		691	1,256
Purchase of property, plant and equipment		(5,065)	(2,378)
NET CASH USED IN INVESTING ACTIVITIES		(9,259)	(2,436)

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 HK\$'000	2024 HK\$'000
FINANCING ACTIVITIES		
Repayment of bank and other borrowings	(20,348)	(18,538)
Interest paid on bank and other borrowings	(24,112)	(23,627)
Repayment for lease liabilities	(2,441)	–
Interest paid on lease liabilities	(124)	–
Bank and other borrowings raised	10,501	30,629
Advance from a shareholder	32,000	–
Capital injection from non-controlling interest shareholders of a subsidiary	–	2,282
NET CASH USED IN FINANCING ACTIVITIES	(4,524)	(9,254)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(12,999)	(3,445)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	18,116	21,373
EFFECT OF EXCHANGE RATE CHANGES	489	188
CASH AND CASH EQUIVALENTS AT END OF THE YEAR, represented by bank balances and cash	5,606	18,116

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025



1. GENERAL INFORMATION

The Company is a public limited company incorporated in Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in the trading of cars and related accessories and provision of after sales services in the People’s Republic of China (“**PRC**”), research and development and sales of electric vehicles and related accessories to the European market, property investment and provision of financing. The address of registered office and principal place of business of the Company are disclosed under section “Corporate Information” of this Report.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to an HKFRS Accounting Standard as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the Group’s annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the amendments to an HKFRS Accounting Standard in the current year has had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²
HKFRS 18	Presentation and Disclosure in Financial Statements ³

¹ Effective for annual periods beginning on or after a date to be determined

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

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

Except for a new HKFRS Accounting Standard mentioned below, the directors of the Company (the “**Directors**”) anticipate that the application of all amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the HKICPA. For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

As at 31 December 2025, the Group had net current liabilities of HK\$112,131,000. In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity and financial position of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern. Certain plans and considerations have been taken by the Directors to mitigate the liquidity risk of the Group and to improve the financial position of the Group, and the plans and considerations are as follows.

The Group will be able to renew the other borrowing of HK\$261,299,000 for a period of one year after its maturity on 16 October 2026. In view of sufficient headroom of pledged investment property located in Scotland with fair value of HK\$460,441,000 over the borrowing amount, the Directors are of the opinion that the Group will be able to renew the other borrowing, with the satisfaction of the existing lender.

The Group has available undrawn committed borrowing facilities amounting to HK\$195,900,000 as at 31 December 2025.

The Group may look for better financing options for the Group or seek opportunity to realise the Group's non-current assets, if necessary, in order to strengthen the Group's future liquidity and financial position.

The Directors are of the opinion that, taking into account the above-mentioned plans and considerations, the Group will have sufficient working capital to meet its financial obligations as they fall due within twelve months from the date of approval of the consolidated financial statements. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid is recognised directly in equity and attributed to owners of the Company.

Business combinations

A business is an integrated set of activities and assets which includes an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired processes are considered substantive if they are critical to the ability to continue producing outputs, including an organised workforce with the necessary skills, knowledge, or experience to perform the related processes or they significantly contribute to the ability to continue producing outputs and are considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

The identifiable assets acquired and liabilities assumed must meet the definitions of an asset and a liability in the Conceptual Framework for Financial Reporting (the "**Conceptual Framework**") except for transactions and events within the scope of HKAS 37 "*Provisions, Contingent Liabilities and Contingent Assets*" or HK(IFRIC)-Int 21 "*Levies*", in which the Group applies HKAS 37 or HK(IFRIC)-Int 21 instead of the Conceptual Framework to identify the liabilities it has assumed in a business combination. Contingent assets are not recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- lease liabilities are recognised and measured at the present value of the remaining lease payments (as defined in HKFRS 16 "*Leases*") as if the acquired leases were new leases at the acquisition date. Right-of-use assets are recognised and measured at the same amount as the relevant lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of the identifiable assets acquired and the liabilities assumed as at acquisition date.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Business combinations *(Continued)*

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

The subsequent accounting for the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates, with the corresponding gain or loss being recognised in profit or loss.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in an annual period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that annual period. If the recoverable amount is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit (or group of cash-generating units).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values, adjusted to exclude any prepaid or accrued lease income.

Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Revenue from contracts with customers

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Information about the Group’s accounting policies relating to contracts with customers is disclosed in note 5.

Leases

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

The Group as a lessee

Short-term leases

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

Right-of-use assets

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

Right-of-use assets are depreciated on a straight-line basis over the lease term.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Leases *(Continued)*

The Group as a lessee (Continued)

Lease liabilities

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

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

The Group as a lessor

Classification and measurement of leases

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised in profit or loss based on effective accrued rentals taking into account of rent free periods and are recognised on a straight-line basis over the term of the relevant lease. Certain rentals received with reference to turnover of tenants are recognised as income when they arise.

Rental income which is derived from the Group's ordinary course of business is presented as revenue.

Property, plant and equipment

Property, plant and equipment are tangible assets that are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Buildings in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing whether the related assets is functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses on the same basis as intangible assets that are acquired separately. Intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of property, plant and equipment, right-of-use assets, and intangible assets with finite useful lives are estimated individually. When it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs.

In testing a CGU for impairment, corporate assets are allocated to the relevant CGU when a reasonable and consistent basis of allocation can be established, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be established. The recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs, and is compared with the carrying amount of the relevant CGU or group of CGUs.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Impairment on property, plant and equipment, right-of-use assets and intangible assets other than goodwill *(Continued)*

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a CGU) for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or a CGU) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a CGU, the Group compares the carrying amount of a group of CGUs, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of CGUs, with the recoverable amount of the group of CGUs. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out basis or specific identification method as appropriate. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Foreign currencies *(Continued)*

Exchange difference on monetary items are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of the translation reserve.

Taxation

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Taxation *(Continued)*

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

For the purposes of measuring deferred tax 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, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale, except for freehold land, which is always presumed to be recovered entirely through sale.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 requirements to the lease liabilities, and the related assets separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised and a deferred tax liability for all taxable temporary differences.

Current and deferred tax are recognised in profit or loss.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Borrowing costs

Borrowing costs not directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are recognised in profit or loss in the period in which they are incurred.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense.

A liability is recognised for benefits accruing to employees (such as wages and salaries and annual leave) after deducting any amount already paid.

Retirement benefits scheme

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

For Long Service Payment (“**LSP**”) obligation, the Group accounts for the employer Mandatory Provident Fund (“**MPF**”) contributions expected to be offset as a deemed employee contribution towards the LSP obligation in terms of HKAS 19.93(a) and it is measured on a net basis. The estimated amount of LSP obligation is determined after deducting the negative service cost arising from the accrued benefits (being projected and attributed to periods of service) derived from the Group’s MPF contributions that have been vested with employees and would be used to offset the employee’s LSP benefits, which are deemed to be contributions from the relevant employees.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 "Revenue from Contracts with Customers". Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

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

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets *(Continued)*

All other financial assets are subsequently measured at fair value.

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or designated as fair value through other comprehensive income are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item.

Impairment of financial assets and rent receivables subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss ("**ECL**") model on financial assets (including trade and other receivables, pledged bank deposits and bank balances) and rent receivables which are subject to impairment assessment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets and rent receivables subject to impairment assessment under HKFRS 9 *(Continued)*

The Group always recognises lifetime ECL for trade receivables from contract with customers and rent receivables. The ECL on these assets are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward- looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

3.2 Material accounting policy information *(Continued)*

Financial instruments (Continued)

Financial liabilities and equity (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities including bank and other borrowings, promissory notes, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and trade and other payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Critical judgement in applying accounting policies

The following is the critical judgment, apart from those involving estimations (see below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred taxation on investment properties

For the purposes of measuring deferred tax arising from investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the Directors have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

Key sources of estimation uncertainty

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

Fair value measurement of investment properties located in Scotland

Investment properties are stated at fair value based on the valuation performed by an independent qualified professional valuer adjusted to exclude any prepaid or accrued lease income. As detailed in note 16, the determination of the fair value of the Group's investment properties located in Scotland are dependent on certain key unobservable inputs including term yield and reversionary yield and market rental with the considerably more subjective management judgements and estimates involved, by comparing to the relevant published research reports with yield data, and market rental for comparable properties in similar grade and location, respectively. In relying on the valuation, management has exercised their judgement and is satisfied that the method of valuation is reflective of the current market conditions at the end of the reporting period.

As at 31 December 2025, included in the carrying amount of the Group's investment properties located in Scotland is HK\$460,441,000 (2024: HK\$405,905,000) which resulted in a gain from change in fair value of the investment properties of HK\$21,628,000 (2024: HK\$33,713,000) recognised in the consolidated statement of profit or loss for the year then ended.

Changes to assumptions including implied rental yield which comprises term yield and reversionary yield would result in changes in the fair values of the Group's investment properties located in Scotland and the corresponding adjustments to the amount of fair value gain or loss reported in the consolidated statement of profit or loss.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Key sources of estimation uncertainty *(Continued)*

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit to which goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows or upward revision of discount rate, a material impairment loss may arise.

As at 31 December 2025, the carrying amount of goodwill is HK\$Nil (2024: HK\$64,220,000). Details of the recoverable amount calculation are disclosed in note 19.

Estimated impairment of property, plant and equipment, right-of-use assets and intangible assets

Property, plant and equipment, right-of-use assets and intangible assets with finite useful lives are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset (including right-of-use assets), the Group estimates the recoverable amount of the CGU to which the assets belongs, including allocation of corporate assets when a reasonable and consistent basis of allocation can be established, otherwise recoverable amount is determined at the smallest group of CGUs, for which the relevant corporate assets have been allocated. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

Details of the impairment of property, plant and equipment and intangible assets are disclosed in notes 17 and 20, respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



5. REVENUE

(i) Reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	Continuing operations		Discontinued operation		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trading of cars and related accessories	67,999	1,172	–	2,344	67,999	3,516
Provision of after sales services	134	–	308	1,166	442	1,166
Revenue from contracts with customers	68,133	1,172	308	3,510	68,441	4,682
Rental income	28,000	26,640	–	–	28,000	26,640
Total revenue	96,133	27,812	308	3,510	96,441	31,322

(ii) Performance obligations for contracts with customers

For trading of cars and related accessories, revenue is recognised when the customer obtains the control of the cars and related accessories, being when the cars and related accessories are handed over to the customers and the titles of cars are passed to the customers. Each unit of car is separately identifiable and represents a distinct performance obligation to which the transaction price is allocated. Performance obligations are satisfied at a point in time once control of the goods has been transferred to the customers. The customers have obtained control on the goods through their ability to direct other use of and obtain substantially all the benefits from the goods. Payment of transaction price is due immediately at the point the cars are delivered to the customers.

For revenue from provision of after sales services, revenue is recognised when the customers simultaneously receives and consumes the benefits provided by the Group's performance, being the time when the Group carries out repair and maintenance works over the cars. The average credit period is 60 days.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE (Continued)

(iii) Disaggregation of revenue from contracts with customers

	Continuing operations		Discontinued operation		Total	
	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Trading of cars and related accessories	67,999	1,172	–	2,344	67,999	3,516
Provision of after sales services	134	–	308	1,166	442	1,166
Total	68,133	1,172	308	3,510	68,441	4,682
Geographical market						
PRC	45,482	–	308	3,510	45,790	3,510
Europe	12,602	1,172	–	–	12,602	1,172
Africa	5,037	–	–	–	5,037	–
Others	5,012	–	–	–	5,012	–
Total	68,133	1,172	308	3,510	68,441	4,682
Timing of revenue recognition						
A point of time	67,999	1,172	–	2,344	67,999	3,516
Overtime	134	–	308	1,166	442	1,166
Total	68,133	1,172	308	3,510	68,441	4,682

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



6. SEGMENT INFORMATION

Information reported to the chief operating decision maker (“**CODM**”), being the executive Directors, for the purposes of resource allocation and assessment of segment performance, focuses on the types of goods or services provided. No operating segments identified by the CODM have been aggregated in arriving at the reportable segments of the Group.

An operating segment regarding the car business was discontinued during the year 31 December 2025. The segment revenue and results reported on the next pages does not include any amounts for this discontinued operation, which is described in more details on note 12.

As at 31 December 2025, the Group has three operating segments under HKFRS 8 “Operating Segments” which are as follows:

- (i) Cars – Trading of cars and related accessories and provision of after sales services, research and development and sales of electric vehicles and related accessories;
- (ii) Property investment; and
- (iii) Financial investments and services – Investments in securities and provision for financing and corporate finance services.

Segment profit/(loss) represents the profit/loss earned by each segment without fair value change investment of an associate measured at FVTPL, fair value gain on other financial assets measured at FVTPL, certain unallocated corporate expenses and finance costs. This is the measure reported to CODM for the purpose of resource allocation and assessment of segment performance. The accounting policies of this segment are the same as the Group’s accounting policies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION *(Continued)*

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments.

For the year ended 31 December 2025

Continuing operations

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE				
Group's revenue	68,133	28,000	–	96,133
SEGMENT RESULTS				
Segment (loss) profit	(85,128)	31,382	(360)	(54,106)
Fair value gain on investment of an associate measured at FVTPL				1,659
Fair value gain on financial assets measured at FVTPL				9,328
Unallocated corporate expenses				(9,231)
Finance costs				(42,644)
Loss before taxation				(94,994)

For the year ended 31 December 2024

Continuing operations

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Consolidated HK\$'000
SEGMENT REVENUE				
Group's revenue	1,172	26,640	–	27,812
SEGMENT RESULTS				
Segment (loss) profit	(10,782)	39,595	(357)	28,456
Fair value loss on investment of an associate measured at FVTPL				(76,142)
Fair value gain on financial assets measured at FVTPL				1,197
Unallocated corporate expenses				(11,434)
Finance costs				(33,715)
Loss before taxation				(91,638)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

At 31 December 2025

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	175,635	516,577	–	692,212
Bank balances and cash				5,606
Pledged bank deposits				8,564
Unallocated corporate assets				54,304
Consolidated assets				760,686
Liabilities				
Segment liabilities	69,707	284,133	–	353,840
Promissory notes				86,187
Tax payable				6,376
Deferred taxation				1,058
Unallocated corporate liabilities				124,279
Consolidated liabilities				571,740

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. SEGMENT INFORMATION (Continued)

Segment assets and liabilities (Continued)

At 31 December 2024

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Consolidated HK\$'000
Assets				
Segment assets	249,781	467,882	–	717,663
Bank balances and cash				18,116
Pledged bank deposits				3,304
Tax recoverable				10
Investment of an associate measured at FVTPL				40,402
Other financial assets measured at FVTPL				15,965
Unallocated corporate assets				1,751
Consolidated assets				797,211

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Consolidated HK\$'000
Liabilities				
Segment liabilities	50,645	262,830	–	313,475
Promissory notes				77,740
Deferred taxation				7,271
Unallocated corporate liabilities				131,212
Consolidated liabilities				529,698

For the purpose of monitoring segment performance and allocating resource between segment:

- all assets are allocated to operating segment other than unallocated corporate assets, investment of an associate measured at FVTPL, other financial assets measured at FVTPL, bank balances and cash and pledged bank deposits;
- all liabilities are allocated to operating segment other than unallocated corporate liabilities, tax payable, deferred taxation and promissory notes.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



6. SEGMENT INFORMATION (Continued)

Other segment information

For the year ended 31 December 2025

Continuing operations

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment results or segment assets					
Additions to property, plant and equipment	–	5,065	–	–	5,065
Depreciation of property, plant and equipment	–	(1,494)	–	–	(1,494)
Depreciation of right-of-use assets	(1,816)	–	–	–	(1,816)
Amortisation of intangible assets	(3,249)	–	–	–	(3,249)
Impairment of intangible assets	(22,113)	–	–	–	(22,113)
Impairment of goodwill	(67,049)	–	–	–	(67,049)
Impairment of other receivable	(5,892)	–	–	–	(5,892)
Fair value gain on investment properties	–	15,727	–	–	15,727
Fair value gain on finance assets measured at FVTPL	20,755	–	–	–	20,755
Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets					
Fair value gain on investment of an associate measured at FVTPL	–	–	–	1,659	1,659
Fair value gain on financial assets measured at FVTPL	–	–	–	9,328	9,328

6. SEGMENT INFORMATION (Continued)**Other segment information** (Continued)

For the year ended 31 December 2024

Continuing operations

	Cars HK\$'000	Property investment HK\$'000	Financial investments and services HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
Amounts included in the measure of segment results or segment assets					
Addition to property, plant and equipment	2,378	–	–	–	2,378
Depreciation of property, plant and equipment	–	(665)	–	–	(665)
Depreciation of right-of-use assets	(134)	–	–	–	(134)
Amortisation of intangible assets	(544)	–	–	–	(544)
Fair value gain on investment properties	–	26,163	–	–	26,163
Fair value loss on finance assets measured at FVTPL	(6,055)	–	–	–	(6,055)
Amounts regularly provided to the CODM but not included in the measure of segment results or segment assets					
Fair value loss on investment of an associate measured at FVTPL	–	–	–	(76,142)	(76,142)
Fair value gain on financial assets measured at FVTPL	–	–	–	1,197	1,197

Information about major customers**Continuing operations**

Revenue from customers contributing over 10% of the total revenue of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A ¹	N/A ³	5,872
Customer B ¹	N/A ³	6,649
Customer C ¹	N/A ³	5,672
Customer D ²	29,719	N/A

¹ Revenue from Property Investment segment.² Revenue from Cars segment.³ The corresponding revenue of the related customers did not contribute over 10% of the Group's total revenue.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



6. SEGMENT INFORMATION (Continued)

Geographical information

Information about the Group's revenue from external customers is presented based on location of customers, irrespective of the origin of the goods/services:

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Hong Kong	1,986	2,326
Europe	38,616	25,486
PRC	45,482	–
Africa	5,037	–
Others	5,012	–
	96,133	27,812

The following is an analysis of the carrying amount of non-current assets (excluding those relating to financial assets at FVTPL, trade and other receivables and investment of an associate measured at FVTPL) analysed by the geographical areas in which the assets are located:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	43,800	49,700
Europe	464,999	406,603
PRC	6,524	97,830
	515,323	554,133

7. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Bank interest income	149	414
Government subsidy	662	–
Others	15	10
Write-off of customers' deposit	5,784	260
	6,610	684

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

8. OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Net foreign exchange loss	(103)	(558)
Fair value gain (loss) on investment of an associate measured at FVTPL	1,659	(76,142)
Fair value gain (loss) on financial assets measured at FVTPL	30,083	(4,858)
Fair value gain on investment properties	15,727	26,163
Impairment loss on goodwill	(67,049)	–
Impairment loss on other receivables	(5,892)	–
Impairment loss on intangible assets	(22,113)	–
Loss on disposal of property, plant and equipment	(29)	–
	(47,717)	(55,395)

9. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Interests on bank and other borrowings	31,521	29,972
Interests on loan from a shareholder	1,279	–
Interests on promissory notes	2,200	2,206
Interests on loan from a non-controlling member of a subsidiary	1,078	1,059
Loan arrangement fee	195	466
Interests on lease liabilities	124	12
Imputed interest on promissory notes	6,247	–
	42,644	33,715

10. TAXATION

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Current tax		
Hong Kong	105	70
PRC	2,999	–
Under provision in prior years		
Hong Kong	20	11
Deferred taxation (note 33)	(6,499)	(706)
	(3,375)	(625)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



10. TAXATION (Continued)

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK\$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2 million.

Dividend distributed from the PRC subsidiary is subject to withholding tax at 10%. Deferred tax in relation to withholding income tax for the undistributed profits of the PRC subsidiary has been provided as set out in note 33.

Non-residents making direct disposals of commercial property in United Kingdom are chargeable to tax on any resultant gains. The property will be rebased to its market value on 5 April 2019 when calculating the gain. The domestic statutory tax rate of the UK is 19%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for the both years.

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

	2025 HK\$'000	2024 HK\$'000
Loss before taxation	(99,422)	(97,631)
Tax at the domestic income tax rate of 16.5%	(16,405)	(16,109)
Tax effect of expenses not deductible for tax purpose	14,839	18,923
Tax effect of income not taxable for tax purpose	(7,557)	(6,860)
Under provision in prior years	21	11
Tax effect of tax losses not recognised	5,405	4,016
Income tax at concessionary rate	(63)	(81)
Effect of different tax rate of subsidiaries operating in other jurisdictions	385	(525)
Taxation for the year	(3,375)	(625)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. LOSS FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Loss for the year has been arrived at after charging/(crediting):		
Auditor's remuneration	1,228	1,278
Staff costs:		
Directors' emoluments	7,182	6,512
Other staff costs	7,739	3,832
	14,921	10,344
Rental income from investment properties	28,000	26,640
Less: direct operating expenses	(6,724)	(7,015)
	21,276	19,625
Amortisation of intangible assets	3,249	544
Depreciation of property, plant and equipment	1,494	665
Depreciation of right-of-use assets	1,816	134
Cost of inventories recognised as expense	62,036	959

12. DISCONTINUED OPERATION

On 28 April 2025, the Group announced that the Directors resolved to cease the Group's Maserati dealership business in the PRC in the Car Segment. The termination was effective on 11 August 2025 and accordingly, the Group's Maserati business has been presented as discontinued operation.

The results of the discontinued business were set out in consolidated statement of profit or loss.

Loss for the year from discontinued operation has been arrived at after charging:

	2025 HK\$'000	2024 HK\$'000
Depreciation of property, plant and equipment	210	1,637
Depreciation of right-of-use assets	–	874
Cost of inventory recognised as an expense	1,046	2,059
Impairment loss on property plant and equipment	–	1,081

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12. DISCONTINUED OPERATION *(Continued)*

The major classes of assets and liabilities of the discontinued business as at 31 December 2025, which have been included in the consolidated statement of financial position, were separately shown as follows:

	2025	2024
	HK\$'000	HK\$'000
Property, plant and equipment	372	1,210
Inventories	–	1,020
Trade and other receivables	2,309	3,239
Bank balances and cash	1	7
Trade and other payables	949	2,189
Lease liabilities	–	2,230

During the year ended 31 December 2025, the discontinued business contributed HK\$249,000 (2024: used HK\$2,317,000) to the Group's net operating cash flows, contributed HK\$691,000 (2024: HK\$1,232,000) in respect of investing activities and used HK\$946,000 (2024: Nil) in respect of financing activities.

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEE'S EMOLUMENTS

The emoluments paid or payable to each of seven (2024: seven) directors and the chief executive (the "Chief Executive"), were as follows:

	Other emoluments				Total emoluments HK\$'000
	Fees HK\$'000	Salaries and other benefits HK\$'000	Performance related incentive payments HK\$'000 (Note b)	Retirement benefits scheme contributions HK\$'000	
2025					
Executive Directors					
Chong Tin Lung Benny	-	2,886	481	18	3,385
Lin Chun Ho Simon	-	1,844	307	18	2,169
Li Shaofeng	-	600	50	18	668
Non-executive Director					
Hang Qingli	240	-	-	-	240
Independent Non-executive Directors ("INEDs")					
Kong Kai Chuen Frankie	240	-	-	-	240
Sham Chung Ping Alain	240	-	-	-	240
To Chun Wai	240	-	-	-	240
	960	5,330	838	54	7,182

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13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEE'S EMOLUMENTS (Continued)

	Fees HK\$'000	Other emoluments			Total emoluments HK\$'000
		Salaries and other benefits HK\$'000	Performance related incentive payments HK\$'000 (Note b)	Retirement benefits scheme contributions HK\$'000	
2024					
Executive Directors					
Chong Tin Lung Benny	–	2,885	240	18	3,143
Lin Chun Ho Simon	–	1,791	149	18	1,958
Li Shaofeng	–	600	50	18	668
Non-executive Director					
Hang Qingli (Note a)	23	–	–	–	23
INEDs					
Kong Kai Chuen Frankie	240	–	–	–	240
Sham Chung Ping Alain	240	–	–	–	240
To Chun Wai	240	–	–	–	240
	743	5,276	439	54	6,512

Notes:

- (a) Appointed as non-executive director on 26 November 2024, the director's emolument included the amount after the appointment as non-executive director up to 31 December 2024.
- (b) Performance related incentive payments were determined by the remuneration committee having regard to the performance of directors and the Group's operating result.

13. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEE'S EMOLUMENTS *(Continued)*

Mr. Chong Tin Lung, Benny, is also the Chief Executive of the Company. The executive directors' remuneration shown above were for their services in connection with the management of the affairs of the Company and the Group. The non-executive directors' and INEDs' emoluments shown above were for their services as directors of the Company.

Of the five individuals with the highest emoluments in the Group, three (2024: three) were Directors whose emoluments are included in the disclosures above. The emoluments of the remaining two (2024: two) individuals were as follows:

	2025	2024
	HK\$'000	HK\$'000
Salaries and other benefits	1,524	1,374
Retirement benefits scheme contributions	36	36
	1,560	1,410

Their emoluments were within the following bands:

	2025	2024
	Number of	Number of
	employees	employees
Nil to HK\$1,000,000	2	2

During both years, no emoluments were paid by the Group to the five highest paid individuals (including directors, the chief executive and employees) as an inducement to join or upon joining the Group or as compensation for loss of office.

None of the directors and the chief executive waived any emoluments during both years.

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14. LOSS PER SHARE

From continuing operations

The calculation of the basic and diluted loss per share for continuing operations attributable to owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Loss for the year attributable to owners of the Company (from continuing and discontinued operations)	(99,156)	(102,136)
Less: Loss for the year from discontinued operation	4,428	5,993
Loss for the purpose of basic and diluted loss per share from continuing operations	(94,728)	(96,143)

	2025 Number of share	2024 Number of share
Number of ordinary shares in issue for the purpose of calculating basic and diluted loss per share	5,292,515,390	5,292,515,390

For the years ended 31 December 2025 and 2024, the computation of diluted loss per share from continuing operations do not assume the exercise of the Company's share options because the assumed exercise would result in decrease in loss per share.

The computation of basic loss per share from continuing operations for the year ended 31 December 2025 and 2024 does not include contingently returnable shares of 800,000,000 shares relating to the acquisition of Hudson Holding Limited which is subject to recall. For the computation of diluted loss per share from continuing operations for the year ended 31 December 2025 and 2024, the contingently returnable shares are not assumed to be outstanding since it would result in a decrease in loss per share.

14. LOSS PER SHARE *(Continued)***From continuing and discontinued operations**

The calculation of the basic and diluted loss per share for continuing and discontinued operations attributable to owners of the Company is based on the following data:

	2025 HK\$'000	2024 HK\$'000
Loss for the purpose of basic and diluted loss per share	(99,156)	(102,136)

The denominator used are the same as those detailed above for both basic and diluted loss per share.

For the year ended 31 December 2025 and 2024, the computation of diluted loss per share from continuing and discontinued operations do not assume the exercise of the Company's share options because the assumed exercise would result in decrease in loss per share.

The computation of basic loss per share from continuing and discontinued operations for the year ended 31 December 2025 and 2024 does not include contingently returnable shares of 800,000,000 shares relating to the acquisition of Hudson Holding Limited which is subject to recall. For the computation of diluted loss per share from continuing and discontinued operations for the year ended 31 December 2025 and 2024, the contingently returnable shares are not assumed to be outstanding since it would result in a decrease in loss per share.

From discontinued operations

For the year ended 31 December 2025, basic loss per share from the discontinued operation is HK0.08 cent per share (2024: HK0.11 cent per share) and diluted loss per share for the discontinued operation is HK0.08 cent per share (2024: HK0.11 cent per share), based on the loss for the year from the discontinued operation of approximately HK\$4,428,000 (2024: HK\$5,993,000) and the denominators detailed above for both basic and diluted loss per share.

15. DIVIDEND

No dividend was paid or proposed for ordinary shares of the Company during the year ended 31 December 2025 (2024: nil), nor has any dividend been proposed since the end of the reporting period (2024: nil).

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16. INVESTMENT PROPERTIES

	HK\$'000
At 1 January 2024	438,791
Unrealized fair value gain, net	26,163
Exchange realignment	(9,349)
At 31 December 2024	455,605
Unrealized fair value gain, net	15,727
Exchange realignment	32,909
At 31 December 2025	504,241

The Group leases out offices and car parks under operating leases with rentals payable quarterly or monthly. The leases typically run for initial period of 2 to 10 years (2024: 2 to 10 years). The rental payment of leases of offices and car parks are fixed over the lease term.

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as all leases are denominated in the respective functional currencies of group entities. The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes were measured using the fair value model and were classified and accounted for as investment properties. The above investment properties comprised industrial building and a carpark located in Hong Kong, held under medium-term leases, and office building in Scotland held on freehold.

The fair value of the Group's investment properties as at 31 December 2025 and 2024 has been arrived at on the basis of a valuation carried out by BonVision International Appraisals Limited, independent qualified professional valuer not connected to the Group.

In determining the fair value of the properties, the independent qualified professional valuer determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages independent qualified professional valuer to perform the valuation. The chief financial officer of the Company works closely with the independent qualified professional valuer to establish the appropriate valuation techniques and inputs to the model.

In estimating the fair value of the investment properties, with valuation based on income approach, the highest and best use of the properties is their current use. The fair values of investment properties have been adjusted to exclude prepaid or accrued lease income to avoid double counting.

16. INVESTMENT PROPERTIES *(Continued)*

Hong Kong

The fair value of the investment properties located in Hong Kong as at 31 December 2025 and 2024 was under Level 3 of fair value hierarchy based on direct comparison method making reference to market observable transactions of similar properties and adjusted to reflect the locations and conditions of the subject properties. For the fair value of the industrial buildings with total carrying amount of HK\$41,800,000 (2024: HK\$47,600,000), the key unobservable input was the price per square foot, using market direct comparables and taking into account of location, age and other individual factors, which is ranged from HK\$3,869 to HK\$4,418 per square foot (2024: from HK\$4,169 to HK\$5,501 per square foot). The fair value of a car park of HK\$2,000,000 (2024: HK\$2,100,000) was based on recent transaction price. An increase in the price per square foot and price per car park would result in an increase in fair value measurement of the investment properties and vice versa.

Scotland

The fair values of the investment properties located in Scotland of HK\$460,441,000 (2024: HK\$405,905,000) as at 31 December 2025 was under level 3 of fair value hierarchy and have been arrived at by income approach which is capitalising net rental income on a fully leased basis. Current passing rental income from existing tenancies and the potential future reversionary income at market levels, which are expected to be re-leased at market rental rates, are capitalised by the term yield and the reversionary yield, respectively. The term yield, the reversionary yield and the market rental are considered as the key unobservable inputs with considerably more subjective management judgement and estimates.

Term yield is taking into account to the prime investment yield observed by the valuer for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the properties, which was 7.5% (2024: 7.75%) per annum.

Reversionary yield is taking into account to the prime investment yield observed by the valuer for similar properties in the locality and adjusted based on the valuer's knowledge of the factors specific to the properties, which was 7.75% (2024: 8%) per annum.

An increase in the term yield and reversionary yield used would result in a decrease in fair value of the investment properties, and vice versa.

Market rental is taking into account direct market comparable properties observed by the valuer in similar grade and location.

An increase in market rental used would result in an increase in fair value of the investment properties, and vice versa.

There were no transfer into or out of Level 3 during the year.

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17. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Machinery and tools HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction in progress HK\$'000	Total HK\$'000
COST						
At 1 January 2024	2,830	7,930	10,621	6,554	–	27,935
Exchange realignment	(94)	(71)	(87)	25	(31)	(258)
Additions	–	2	22	–	2,354	2,378
Acquisition of subsidiaries (Note 35)	–	–	–	–	1,121	1,121
Disposals	–	(27)	–	(1,754)	–	(1,781)
At 31 December 2024	2,736	7,834	10,556	4,825	3,444	29,395
Exchange realignment	–	–	253	103	152	508
Additions	5,065	–	–	–	–	5,065
Disposals	–	–	–	(1,175)	–	(1,175)
At 31 December 2025	7,801	7,834	10,809	3,753	3,596	33,793
DEPRECIATION AND IMPAIRMENT						
At 1 January 2024	1,682	7,177	8,925	3,563	–	21,347
Exchange realignment	(79)	(53)	(71)	(21)	–	(224)
Provided for the year	853	172	748	529	–	2,302
Impairment loss recognised in profit or loss	280	545	256	–	–	1,081
Eliminated on disposals	–	(7)	–	(457)	–	(464)
At 31 December 2024	2,736	7,834	9,858	3,614	–	24,042
Exchange realignment	118	–	216	14	–	348
Provided for the year	813	–	681	210	–	1,704
Eliminated on disposals	–	–	–	(455)	–	(455)
At 31 December 2025	3,667	7,834	10,755	3,383	–	25,639
CARRYING VALUES						
At 31 December 2025	4,134	–	54	370	3,596	8,154
At 31 December 2024	–	–	698	1,211	3,444	5,353

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual values, using the straight-line method, at the following rates per annum:

Leasehold improvements	Shorter of lease terms or 20%
Machinery and tools	20% – 33 $\frac{1}{3}$ %
Furniture, fixtures and equipment	10% – 33 $\frac{1}{3}$ %
Motor vehicles	20% – 25%

At the end of the reporting period, certain property, plant and equipment are fully depreciated and still in use.

Impairment assessment

During the year ended 31 December 2025, the management of the Group has conducted impairment assessment on certain property, plant and equipment by determining their value in use by the management of the Group with reference to a valuation carried out by the valuer as detailed in note 19. Then, the Group estimates the recoverable amounts of the related cash generating unit, which include property, plant and equipment, intangible assets and goodwill and allocated corporate assets based on their value in use.

During the year ended 31 December 2024, the management of the Group concluded there was indication for impairment and conducted impairment assessment on certain property, plant and equipment with carrying amounts of HK\$1,081,000. The recoverable amounts of the property, plant and equipment were determined based on their value in use. The relevant assets were fully impaired at year end and an impairment of HK\$1,081,000 was recognised in profit or loss within the relevant functions to which these assets related during the year ended 31 December 2024.

18. RIGHT-OF-USE ASSETS

	Leased Properties HK\$'000
As at 31 December 2025	
Carrying amount	2,928
As at 31 December 2024	
Carrying amount	4,583
For the year ended 31 December 2025	
Depreciation charge	1,816
For the year ended 31 December 2024	
Depreciation charge	1,008

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18. RIGHT-OF-USE ASSETS (Continued)

	Year ended 31/12/2025 HK\$'000	Year ended 31/12/2024 HK\$'000
Expense relating to short-term leases	–	299
Total cash outflow for leases	2,565	299
Additions to right-of-use assets	–	4,760

For the year ended 31 December 2025 and 2024, the Group leases building for its operations. Lease contract is entered into for fixed term of 3 years (2024: 3 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

19. GOODWILL

	Hudson Group HK\$'000
AT CARRYING VALUE	
At 1 January 2024	–
Acquisition of subsidiaries (note 35)	65,771
Exchange alignment	(1,551)
At 31 December 2024	64,220
Impairment	(67,049)
Exchange realignment	2,829
At 31 December 2025	–

The basis of the recoverable amounts of the above sole cash generating unit (“CGU”) and its major underlying assumptions are summarised as below:

Hudson Group

The recoverable amount of this CGU, including relevant intangible assets and other long-lived assets, has been determined based on value in use calculation. The Group performed impairment review for the goodwill of Hudson Group with reference to a valuation carried out by an independent professional valuer, the valuation was based on the cash flow forecast derived from the most recent financial budgets and estimated future cash flows for the following five years as approved by the management and using a pre-tax discount rate of 23.5% (2024: 24.0%) per annum. The cash flows beyond five-year are extrapolated using a 2.5% (2024: 2.0%) per annum growth rate. Key assumptions for the value in use calculation, are those regarding the discount rates, growth rates and expected changes to selling prices and cost during forecasted periods. Management estimates discount rates that reflect current market assessments of the time value of money and the risks specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

Based on the above impairment assessment, the recoverable amount of the CGU was nil as at 31 December 2025. An impairment loss of HK\$22,113,000 and HK\$67,049,000 was recognised on intangible assets and goodwill, respectively in profit or loss during the year ended 31 December 2025.

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20. INTANGIBLE ASSETS

	Distribution Network HK\$'000	Patent and Proprietary Technology HK\$'000	Dealership Agreement HK\$'000	Total HK\$'000
COST				
At 1 January 2024	–	–	4,065	4,065
Exchange realignment	(86)	(572)	(137)	(795)
Acquired on acquisition of subsidiaries (note 35)	3,341	22,221	–	25,562
At 31 December 2024	3,255	21,649	3,928	28,832
Written-off	–	–	(4,101)	(4,101)
Exchange realignment	143	954	173	1,270
At 31 December 2025	3,398	22,603	–	26,001
AMORTISATION AND IMPAIRMENT				
At 1 January 2024	–	–	4,065	4,065
Exchange realignment	(4)	(8)	(137)	(149)
Charge for the year	175	369	–	544
At 31 December 2024	171	361	3,928	4,460
Eliminated on written-off	–	–	(4,101)	(4,101)
Exchange realignment	35	72	173	280
Charge for the year	1,045	2,204	–	3,249
Impairment (note 19)	2,147	19,966	–	22,113
At 31 December 2025	3,398	22,603	–	26,001
CARRYING AMOUNTS				
At 31 December 2025	–	–	–	–
At 31 December 2024	3,084	21,288	–	24,372

The intangible assets acquired in the prior years have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Distribution network	3 years
Patent and proprietary technology	10 years

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21. INVESTMENT OF AN ASSOCIATE MEASURED AT FVTPL

	2025 HK\$'000	2024 HK\$'000
Investment of an associate measured at FVTPL	–	40,402

On 29 January 2020, the Group entered into a subscription agreement for subscription of 51,847,997 Series A Preferred Shares of Chime Biologics Limited (“**Chime Biologics**”) at a consideration of US\$32 million. The subscription was completed in February 2020. The principal activity of Chime Biologics is provision of biologics contract development and manufacturing services. The Group has the right to appoint 1 out of 6 directors of the board of Chime Biologics and therefore the Group has the power to exercise significant influence over Chime Biologics and Chime Biologics becomes an associate of the Group.

The Directors considered the key features of the preferred shares which include (i) the holders of preference shares are entitled to noncumulative dividends at fixed percentage per annum and in preference to the ordinary shareholders on an as-converted basis; (ii) the Series A preferred shareholders are superior to the holders of the ordinary shares in terms of liquidation preference; (iii) the conversion price is subject to downround adjustments; and (iv) the preferred shares are automatically converted to ordinary shares only upon consummation of an qualified initial public offering. Taking into account of the above factors and the shareholding structure of Chime Biologics, the Directors considered these preferred shares did not carry rights that were substantially the same as the investee’s ordinary shares and accordingly these preferred shares were accounted for as financial instruments measured at fair value through profit or loss under HKFRS 9.

On 8 October 2025, the Group entered into an agreement with an independent third party, which is also a holder of the Group’s certain other borrowings, for the transfer of its entire interest in issued share in Rainbow Surplus Investment Limited, a wholly owned subsidiary of the Group which primarily holds the investment in Chime Biologics at a consideration of HK\$41,000,000, which was settled by set-off against a portion of the outstanding principal and accrued interest from the aforementioned borrowings. The transaction was completed on 8 October 2025, and the Group has recognised a gain on settlement of HK\$1,659,000 during the year ended 31 December 2025.

22. FINANCIAL ASSETS AT FVTPL

Financial asset at FVTPL – investment in Hai Robotics

In 2021, the Group entered into an agreement with 東莞市海柔智能科技有限公司 (“Hai Robotics”) to subscribe registered capital of RMB26,443 of Hai Robotics, representing 0.8386% of registered capital, at a consideration of RMB22,641,000 (equivalent to HK\$27,212,000). On the same date, the Group entered into a trust agreement with another third party (the “Trustor”) and received a sum of RMB11,320,550 (equivalent to HK\$13,606,000) from the Trustor whereby the Trustor appointed the Group to hold on trust of RMB13,222 registered capital of Hai Robotics, representing 0.4193% of registered capital of Hai Robotics, at its original investment cost of RMB11,320,550 (equivalent to HK\$13,606,000) on behalf of the Trustor by the Group. Accordingly, after the trust arrangement, the Group holds 0.4193% of registered capital of Hai Robotics.

Pursuant to the relevant agreement, the Group shall be entitled to receive, an aggregate amount equal to 100% of the investment cost with 8% return per annum in compound interest, plus any declared and accrued by unpaid dividends thereon in case Hai Robotics fails to achieve a qualified initial public offering within six years from 22 September 2021.

Hai Robotics increased its registered capital with new capital injected from other third parties subsequent to the abovementioned subscription, and the equity interest of registered capital of Hai Robotics held by the Group changed to 0.271% at its fair value of HK\$15,965,000 as at 31 December 2024.

On 19 December 2025, the Group entered into an agreement with two independent third parties to dispose the shares in Hai Robotics owned by the Group and Trustor for a consideration of USD2,676,000 (equivalent to HK\$21,688,000) and RMB28,413,000 (equivalent to HK\$30,783,000), respectively. The transaction was completed on 22 December 2025. The Group has recognised a realised fair value gain of HK\$9,328,000 (2024: a fair value gain of HK\$1,197,000) during the year ended 31 December 2025.

Contingent consideration receivable

During the year ended 31 December 2024, the Group recognised the contingent consideration receivables of HK\$136,798,000 as part of the deal to acquire the Hudson Holding Limited and its subsidiaries, details are set out in note 35. During the year ended 31 December 2025, a fair value gain on financial asset at FVTPL of HK\$20,755,000 (2024: loss of HK\$6,055,000) has been recognised in profit or loss for the year.

Details of fair value measurements of the contingent consideration receivable measured at fair value through profit or loss amounting to HK\$151,498,000 (2024: HK\$130,743,000) are set out in note 40.

23. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Cars	4,110	5,806
Spare parts	275	1,104
	4,385	6,910

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24. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables from contracts with customers	1,681	1,146
Rent receivables	7,204	7,345
	8,885	8,491
Utility and rental deposits	1,877	1,853
Value-added tax receivables	2,564	2,780
Prepayment	9,188	8,095
Deposit paid for acquisition of property, plant and equipment	–	5,641
Receivable from disposal of financial assets at FVTPL	52,471	–
Other receivables	325	768
	75,310	27,628
Less: Amount due more than one year shown under non-current assets	(5,074)	(10,534)
Amount shown under current assets	70,236	17,094

Trade receivables from contracts with customers

As at 1 January 2024, there was no trade receivables from contracts with customers.

The Group's trade receivables denominated in foreign currencies of the relevant group entities are as follows:

	2025 HK\$'000	2024 HK\$'000
USD	–	220
EUR	1,681	926
	1,681	1,146

The following is an ageing analysis of trade receivables presented based on the invoice dates at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Within 30 days	633	1,146
31-60 days	204	–
61-90 days	844	–
	1,681	1,146

24. TRADE AND OTHER RECEIVABLES *(Continued)***Rent receivables**

The Group's rental income are based on effective accrued rentals after taking into account of rent free period which are recognised under straight line method and recorded as rental receivables. Rental income is received from tenants in Scotland and in Hong Kong on a quarterly basis and monthly basis, respectively. Included in the Group's rent receivables as at 31 December 2025 are (i) accrued rent receivables of HK\$6,508,000 over the rent free periods (2024: HK\$5,881,000); (ii) lease incentives paid of HK\$696,000 (2024: HK\$1,464,000) represent amount of rent incentives granted to tenants, which are to be recovered through future rental income. The amounts that are expected to be realised after twelve months after the reporting period are presented as non-current assets.

The Group allows its customers a credit period from 0 to 90 days. There is no past due trade and rent receivables as at 31 December 2025 (2024: nil).

Details of impairment assessment of trade and other receivables are set out in note 40.

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less and carry variable-rate interest at market rates which range from 0.2% to 0.54% (2024: 0.2% to 0.54%) per annum.

Pledged bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group. As at 31 December 2025, deposits amounting to HK\$8,564,000 (2024: HK\$3,304,000) had been pledged to secure short-term bank loans and undrawn short-term facilities and were therefore classified as current assets.

The Group's pledged bank deposits and bank balances and cash denominated in foreign currencies of the relevant group entities are as follows:

	2025	2024
	HK\$'000	HK\$'000
USD	302	19
RMB	2	2
EUR	213	23
GBP	1	1

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26. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purposes and daily operating costs. The average credit period on purchase of goods is 30 to 90 days. The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
Within 30 days	5,326	446
31 to 60 days	1	–
61 to 90 days	141	50
91 days to 1 year	473	172
Over 1 year	31	49
Trade payables	5,972	717
Accrued charges	5,049	4,980
Receipt in advance for rental income	7,524	7,429
Other payables	16,775	22,035
Payable in relation to disposal of financial assets at FVTPL (Note)	22,816	–
	58,136	35,161

Included in other payables represent an amount of HK\$5,059,000 refundable deposits to customers relating to discontinued Hong Kong car business in 2024 (2025: Nil).

Note: As disclosed at note 22, the Group needs to repay half of the consideration from the disposal of the investment in Hai Robotics to the trustor, net of all necessary expenses.

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27. BANK AND OTHER BORROWINGS

	2025 HK\$'000	2024 HK\$'000
Bank borrowing	–	20,371
Other borrowings	358,692	361,483
	358,692	381,854
Secured	261,299	262,480
Unsecured	97,393	119,374
	358,692	381,854
	2025 HK\$'000	2024 HK\$'000
Other borrowings		
Carrying amount repayable:		
Within one year	261,299	242,109
Within a period of more than one year but not exceeding two years	12,548	91,702
Within a period of more than two years but not exceeding five years	84,845	27,672
	358,692	361,483
Bank borrowing		
Carrying amounts that contain a repayment on demand clause (shown under current liabilities) but repayable:		
Within one year	–	20,371
	–	20,371
Less: Amounts due within one year shown under current liabilities	(261,299)	(262,480)
Amounts shown under non-current liabilities	97,393	119,374

As at 31 December 2025, other borrowing from a financial institution denominated in GBP amounting to HK\$261,299,000 (2024: HK\$242,109,000) which was secured by an investment property in Glasgow and pledged bank deposits. The loan carried interest at 8.12% (2024: 8.5%) per annum and, following the original maturity date of 16 October 2025, was renewed on a rolling one-month basis. Subsequent to the reporting period, the maturity date of this borrowing has been extended to 16 October 2026.

During the year ended 31 December 2024, a loan from a bank amounting to HK\$20,215,000 which was secured by an investment property in Hong Kong and pledged bank deposits. The loan carried interest at variable market rates of Hong Kong Interbank Offered Rate plus 2% per annum and was repayable in instalments over a period of 3 years and with a repayment on demand clause. The Group has repaid this bank borrowing during the year ended 31 December 2025.

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27. BANK AND OTHER BORROWINGS (Continued)

During the year ended 31 December 2025, other borrowings of HK\$94,201,000 that were originally due on 16 April 2026, were renewed and the new maturity date is 16 April 2028. The Group obtained another borrowing of HK\$10,501,000 (2024: HK\$30,629,000) which is a fixed-rate borrowing with maturity in 2027 to 2028 (2024: 2026 to 2027) and bears interest rate with range between 2% to 8% (2024: range between 3.85% to 9%) per annum.

Details of the pledge of assets to secure the Group's bank and other borrowings were set out in note 38.

28. LOAN FROM A NON-CONTROLLING MEMBER OF A SUBSIDIARY

The loan from a non-controlling member of a subsidiary is an unsecured loan which will mature in October 2026 (2024: October 2025) or after full repayment of the other borrowing of HK\$261,299,000, related to the financing of the acquisition of Dakota RE II Limited in Scotland, whichever earlier, and carries interest at 10% (2024: 10%) per annum.

29. LOAN FROM A RELATED PARTY/A SHAREHOLDER

During the year ended 31 December 2023, the Group obtained a loan of RMB10,000,000 from a related party which is a director of the Company, the loan is interest free with maturity date on 12 February 2025. During the year the loan has been extended with the new maturity date of 12 February 2026. This loan has been repaid on 13 January 2026.

The Group obtained a borrowing of HK\$32,000,000 (2024: Nil). The loan from a shareholder is unsecured and carries fixed interest at 7% per annum with maturity date on 7 April 2028.

30. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	2,124	2,573
More than one year but not exceeding two years	1,403	1,735
More than two years but not exceeding five years	–	1,344
	3,527	5,652
Less: Amounts due for settlement within 12 months shown under current liabilities	(2,124)	(2,573)
Amounts due for settlement after 12 months shown under non-current liabilities	1,403	3,079

The weighted average incremental borrowing rates applied to lease liabilities is 3.1% (2024: 3.1%).

31. PROMISSORY NOTES

On 29 October 2024, the Group issued promissory notes of fair value of HK\$52,081,000 in Hong Kong which is part of consideration to acquire the equity interest in Hudson Holding Limited. The promissory notes are not transferable and have a maturity date of three years since issuance and do not carry interest. The Group may redeem all or part of the promissory notes at any time to the maturity date at 100% of the face value of HK\$61,900,000. During the year ended 31 December 2025 and 2024, the Group has not repaid any principal.

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31. PROMISSORY NOTES *(Continued)*

On 25 March 2021, the Group issued unsecured promissory note amounting to HK\$53,500,000 in Hong Kong to acquire additional equity interest of 27.49% in Dakota RE II Limited. The unsecured promissory note has extended the maturity date further two years from March 2024 to March 2026 in 2024, and a further extension of another two years to March 2028 in 2025 and carries interest at 8% per annum. The Group may redeem all or part of the promissory note at any time to the maturity date at 100% of the face value of the promissory note. During the years ended 31 December 2025 and 2024, the Group has not repaid any principal.

32. SHARE CAPITAL

	Number of shares	Share capital HK\$'000
Ordinary shares of HK\$0.02 each:		
Authorised:		
At 1 January 2024, 31 December 2024 and 31 December 2025	17,500,000,000	350,000
Issued and fully paid:		
At 1 January 2024	5,292,515,390	105,850
Issued in consideration for the acquisition of subsidiaries (note 35)	800,000,000	16,000
At 31 December 2024 and 31 December 2025	6,092,515,390	121,850

The Company issued 800 million ordinary shares during the year ended 31 December 2024 which is part of consideration for the acquisition of subsidiaries (note 35). The ordinary shares issued on 29 October 2024 to the Vendors (as defined in note 35) are contingently returnable (note 35). The new shares issued rank pari passu with all existing shares.

33. DEFERRED TAXATION

As at 31 December 2025, deferred tax liabilities (assets) represented the temporary differences associated with undistributed earnings of a PRC subsidiary, recognition of intangible assets and right-of-use assets and lease liabilities, and the movements during the current and prior years are:

	Intangible assets HK\$'000	Right-of-use assets HK\$'000	Lease liabilities HK\$'000	Withholding tax on undistributed profit HK\$'000	Total HK\$'000
At 1 January 2024	–	874	(563)	1,445	1,756
Acquisition of a subsidiary (note 35)	6,390	–	–	–	6,390
(Charged) credited to profit or loss	(126)	(901)	321	–	(706)
Exchange realignment	(171)	51	(49)	–	(169)
At 31 December 2024	6,093	24	(291)	1,445	7,271
(Charged) credited to profit or loss	(6,382)	655	(400)	(372)	(6,499)
Exchange realignment	289	15	(18)	–	286
At 31 December 2025	–	694	(709)	1,073	1,058

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33. DEFERRED TAXATION *(Continued)*

At 31 December 2025, the Group had unused estimated tax losses of HK\$323,345,000 (2024: HK\$290,659,000) available for offset against future profits for continuing operations which is subject to agreement with the relevant tax authorities. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$24,476,000 (2024: HK\$17,946,000) that will expire in one to five years for offsetting against future taxable profits. Other losses may be carried forward indefinitely.

At the end of the reporting period, the Group has deductible temporary differences of HK\$42,847,000 (2024: HK\$41,773,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

34. SHARE OPTION SCHEMES

The share option scheme (the “**Expired Share Option Scheme**”) adopted by the Company on 28 May 2012, expired on 27 May 2022.

References were made to (i) the circular of the Company dated 22 April 2022 in relation to, among other things, the adoption of the New Share Option Scheme, (ii) the poll results announcement of the annual general meeting of the Company dated 25 May 2022, (iii) the announcement of the Company dated 26 November 2021 in relation to the proposed acquisition of VMS Auto Italia Fin Services Holdings Limited by the Company, which constitutes a very substantial acquisition, connected transaction and reverse takeover under the Listing Rules, and (iv) the announcement of the Company dated 25 November 2022 regarding the termination of the Acquisition, including the special mandate in relation to the allotment and issuance of consideration shares would not proceed. The New Share Option Scheme is not effective as certain conditions were not fulfilled.

Save for and except that the rules of the Expired Share Option Scheme remain in full force and effect to the extent necessary to give effect to the exercise of the options granted thereunder prior to its expiry, or otherwise to the extent as may be required in accordance with the rules of the Expired Share Option Scheme. No further options may be granted under the Expired Share Option Scheme upon its expiry.

Under the Expired Share Option Scheme, options were granted to certain Directors, employees and other eligible participants of the Company entitling them to subscribe for Shares of HK\$0.02 each in the capital of the Company.

At 31 December 2025, the number of shares in respect of which options had been granted and remained outstanding under the Expired Share Option Scheme was Nil (2024: 222,700,000) representing 0% (2024: 3.66%) of the shares of the Company in issue.

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34. SHARE OPTION SCHEMES (Continued)

The following table details and movements of the Company's share options granted under the Expired Share Option Scheme held by employees (including directors) during the two years ended 31 December 2025 and 2024:

Name or category of participants	Date of grant	Exercise price HK\$	Exercisable period	As at 1 January 2025	Lapsed during the year (Note 4)	As at 31 December 2025	Exercisable at 31 December 2025
Directors							
Mr Chong Tin Lung Benny	7.10.2020 (Note 3)	0.1754	27.7.2021 to 26.7.2025 (Note 2)	60,000,000	(60,000,000)	-	-
Mr Lin Chun Ho Simon	27.7.2020	0.1754	27.7.2021 to 26.7.2025 (Note 2)	30,000,000	(30,000,000)	-	-
Other eligible participants	27.7.2020	0.1754	27.7.2021 to 26.7.2025 (Note 2)	90,700,000	(90,700,000)	-	-
	7.10.2020 (Note 3)	0.1754	27.7.2021 to 26.7.2025 (Note 2)	42,000,000	(42,000,000)	-	-
Total				222,700,000	(222,700,000)	-	
Weighted average exercise price (HK\$)				0.1754			

Name or category of participants	Date of grant	Exercise price HK\$	Exercisable period	As at 31 December 2024	Exercisable at 31 December 2024
Directors					
Mr Chong Tin Lung Benny	7.10.2020 (Note 3)	0.1754	27.7.2021 to 26.7.2025 (Note 2)	60,000,000	60,000,000
Mr Lin Chun Ho Simon	27.7.2020	0.1754	27.7.2021 to 26.7.2025 (Note 2)	30,000,000	30,000,000
Other eligible participants	27.7.2020	0.1754	27.7.2021 to 26.7.2025 (Note 2)	90,700,000	90,700,000
	7.10.2020 (Note 3)	0.1754	27.7.2021 to 26.7.2025 (Note 2)	42,000,000	42,000,000
Total				222,700,000	
Weighted average exercise price (HK\$)				0.1754	

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34. SHARE OPTION SCHEMES (Continued)

Notes:

- (1) The closing prices per share immediately before 27 July 2020 and 7 October 2020 (the dates on which the share options were granted) were HK\$0.172 and HK\$0.17 respectively.
- (2) Share options granted under the Expired Share Option Scheme on 27 July 2020 and 7 October 2020 shall vest in the grantees in accordance with the timetable below (for this purpose, the date or each such date on which the share options are to vest being hereinafter referred to as a “Vesting Date”):

Vesting Date	Percentage of Share Options to vest
First anniversary of the Date of Offer	40% of the total number of options
Second anniversary of the Date of Offer	30% of the total number of options
Third anniversary of the Date of Offer	30% of the total number of options

- (3) These share options are conditionally granted on 27 July 2020 and approved in the Company’s special general meeting on 7 October 2020.
- (4) 222,700,000 share options were lapsed due to expiry of exercisable period.

No other feature of the options granted was incorporated into the measurement of fair value.

35. ACQUISITION OF SUBSIDIARIES

For the year ended 31 December 2024

On 11 September 2024, an indirect wholly-owned subsidiary of the Company (the "**Purchaser**"), and third parties (the "**Vendors**") entered into an agreement (the "**Agreement**") to acquire entire issued share capital of Hudson Holding Limited (the "**Transaction A**") for a total consideration of HK\$165,900,000 ("**Consideration**"), satisfied by the allotment and issue of the 800,000,000 new shares of the Company ("**Consideration Shares**") and the issue of promissory notes with a total principal amount of HK\$61,900,000 ("**Promissory Notes**"). On 29 October 2024, the Transaction A was completed and Hudson Holding Limited has become a subsidiary of the Group.

Hudson Holding Limited and its subsidiaries ("**Hudson Group**") are principally engaged in research and development, and sales of auto parts and accessories for vehicles, as well as the sales of electric vehicles and related accessories etc.

Prior to completion of the Transaction A, each of the Vendors, the Purchaser and VMS Securities Limited ("**VMS Securities**" or the "**Escrow Agent**") entered into the Escrow Letter, pursuant to which, the Consideration Shares and Promissory Notes are held by the Escrow Agent immediately upon completion of the Transaction A for the arrangement in relation to the potential adjustment of the Consideration below.

Pursuant to the Agreement, the Vendors irrevocably and unconditionally warranted and guaranteed to the Purchaser that the consolidated revenue of the Hudson Group for the financial year or period commencing from 1 January 2025 to 31 December 2025 or an earlier date of fulfilment of the 2025 Guaranteed Revenue (whichever is the earlier) (the "**Guaranteed Period**"), prepared in accordance with the HKFRS Accounting Standards would not be less than RMB422,243,785 (equivalent to approximately HK\$464,468,000) (the "**2025 Guaranteed Revenue**").

In the event that the actual revenue during the Guaranteed Period was less than the 2025 Guaranteed Revenue, the Purchaser should be compensated by the Vendors (in proportion to their respective shareholding in Hudson Holding Limited before the completion of the Transaction A) the shortfall equal to the amount calculated based on the formula set out in the announcement issued by the Company dated 11 September 2024 (the "**Compensation Amount**"), however, the maximum Compensation Amount would not exceed the Consideration. The Compensation Amount should first be offset by the Consideration Shares by transferring the Consideration Shares held by the Escrow Agent to the Purchaser or person(s) or entity(ies) designated by the Purchaser at the offsetting amount equal to the price of HK\$0.13 per share. The residual amount (if any) of the Compensation Amount should then be offset by the face value of the Promissory Notes.

The fair value of Consideration Shares at the date of acquisition amounted to HK\$155,999,000 based on the closing market price of the Company on the Stock Exchange at the date of acquisition. The Promissory Notes carried no interest and repayable in 3 years after issue and the fair value of Promissory Notes at date of issue was HK\$45,834,000. A contingent consideration receivable was recognised at 31 December 2025 amounting to HK\$151,498,000 which was measured at fair value through profit or loss initially and at the end of each reporting period.

The Group incurred transaction costs of HK\$1,184,000 for this acquisition. These transaction costs were expensed and were included in administrative expenses in the consolidated statement of profit or loss in 2024.

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35. ACQUISITION OF SUBSIDIARIES (Continued)

For the year ended 31 December 2024 (Continued)

Assets acquired and liabilities assumed at the date of acquisition

	HK\$'000
Property, plant and equipment	1,121
Intangible assets	25,562
Inventories	119
Trade and other receivables	16,931
Bank balances and cash	1,672
Trade and other payables	(13,799)
Deferred taxation	(6,390)
Other borrowings	(25,952)
	(736)

	HK\$'000
Consideration transferred	65,035
Add: Fair value of identifiable liabilities acquired	736
Goodwill	65,771

Net cash outflows arising on acquisition of Hudson Holding Limited

	HK\$'000
Consideration paid in cash	–
Less: bank balances and cash acquired	1,672
	1,672

Included in the loss for the year ended 31 December 2024 was loss of HK\$3,015,000 attributable to the additional business generated by Hudson Group. Revenue for the year ended 31 December 2024 included HK\$1,172,000 generated from Hudson Group.

Had the acquisition of Hudson Group been completed on 1 January 2024, consolidated revenue for the year ended 31 December 2024 of the Group would have been HK\$31,888,000, and the consolidated loss for the year 31 December 2024 would have been HK\$111,920,000. The pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor was it intended to be a projection of future results.

35. ACQUISITION OF SUBSIDIARIES *(Continued)*

For the year ended 31 December 2024 *(Continued)*

Goodwill arose in the acquisition of Hudson Group because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies. The Directors were of the view that through the acquisition, the Group could realise synergies through the sharing of resources in overall management, research and development, raw materials and production, marketing, sales and distribution; expanded management expertise; additional negotiation power relative to both customer and suppliers relationships; revenue growth; future market development; and the assembled workforce of Hudson Group. These benefits were not recognised separately from goodwill because they did not meet the recognition criteria for identifiable intangible assets.

In the opinion of the Directors, the fair values of trade and other receivables acquired approximated to the gross contractual amounts, the best estimate at acquisition date of the contractual cash flows of the receivables which all expected to be collected.

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36. RETIREMENT BENEFITS SCHEMES

Defined Contribution Plans

The relevant subsidiaries in Mainland China are required to make contributions to the state-managed retirement schemes in the PRC based on a specific percentage of the payroll costs of their current employees to fund the benefits. The employees are entitled to retirement pension calculated with reference to their basic salaries on retirement and their length of service in accordance with the relevant government regulations. The government in Mainland China is responsible for the pension liability to these retired staff.

In addition, the Group operates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group and each employee employed in Hong Kong are required to make a contribution of 5% on the employees' monthly relevant income with a maximum monthly contribution of HK\$1,500.

For subsidiaries other than in Hong Kong and Mainland China, contributions are made to the defined contribution schemes by the Group at rates specified on the rules of the schemes at the relevant jurisdiction.

The total cost of HK\$1,034,000 (2024: HK\$280,000) recognised to profit or loss represents contributions payable to these schemes by the Group during the year.

37. OPERATING LEASING ARRANGEMENT

The Group as lessor

Property rental income earned during the year was HK\$28,000,000 (2024: HK\$26,640,000). All of the properties held have committed tenants from 2 to 10 (2024: 1 to 6) years.

Undiscounted lease payments receivable on leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	29,308	25,013
In the second year	28,292	22,770
In the third year	19,088	21,294
In the fourth year	13,264	16,267
In the fifth year	3,758	8,847
After five years	9,533	196
	103,243	94,387

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38. PLEDGE OF ASSETS

	2025 HK\$'000	2024 HK\$'000
Pledged bank deposits	8,564	3,304
Investment properties	460,441	455,605
	469,005	458,909

39. RELATED PARTY TRANSACTIONS

	2025 HK\$'000	2024 HK\$'000
Purchase of automobiles with non-controlling shareholder of Wuhan Junyi (Note 1)	–	2,198
Sales of automobiles with non-controlling shareholder of Wuhan Junyi (Note 1)	(78)	(367)
Other expense paid to VMS Securities (Note 2)	180	31

The office premises of the Group in Hong Kong is provided by VMS Securities at nil (2024: nil) consideration during the year of 31 December 2025. VMS Securities is a company controlled by the substantial shareholder, Mr. Chong Tin Lung Benny (2024: Ms. Mak Siu Hang Viola), of the Company who has significant influence to the Company, holding approximately 25.78% (2024: Ms. Mak Siu Hang Viola holding 24.93%) of the total number of issued shares of the Company, and Mr Chong Tin Lung Benny is also a director of VMS Securities and the Chairman of the Company.

Note 1: Automobiles represent cars and auto parts.

Note 2: Other expense represents the service fee paid to VMS Securities during the year for the Escrow Agent services in respect of the acquisition of Hudson Group.

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39. RELATED PARTY TRANSACTIONS (Continued)

Compensation of key management personnel

The remuneration of key management personnel of the Group during the year is as follows:

	2025	2024
	HK\$'000	HK\$'000
Fees	960	743
Salaries and other benefits	6,213	5,753
Retirement benefits scheme contributions	54	54
	7,227	6,550

The remuneration of key management personnel is determined by the directors having regard to the performance of individuals and market trends.

40. FINANCIAL INSTRUMENTS

Categories of financial instruments

	2025	2024
	HK\$'000	HK\$'000
Financial assets		
Amortised costs	77,728	32,532
Financial assets at FVTPL	151,498	146,708
Investment of an associate measured at FVTPL	–	40,402
Financial liabilities		
Amortised costs	548,346	504,366

Financial risk management objectives and policies

The Group's financial instruments include investment of an associate measured at FVTPL, financial assets at FVTPL, trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables, bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

40. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies** (Continued)**Market risk***Currency risk*

The group entities collect most of the revenue and incur most of the expenditures in their respective functional currencies and have bank deposits/balances denominated in foreign currencies.

The Group currently does not have a foreign currency hedging policy. However, the management of the Company monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The carrying amounts of the Group's major foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
USD	302	19	–	–
RMB	2	2	–	–
EUR	213	23	–	–
GBP	1	1	–	–

Sensitivity analysis

The sensitivity analysis in HK\$ against USD, RMB, EUR and GBP are not presented as the management considers that the exposure of currency risks arising from assets and liabilities denominated in USD, RMB, EUR and GBP are insignificant.

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40. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed-rate bank and other borrowings, loan from a non-controlling member of a subsidiary, lease liabilities and promissory notes. The Group's cash flow interest rate risk relates primarily to variable-rate bank balances and bank borrowing. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

The sensitivity analysis of variable-rate bank balances and bank borrowing (2024: variable-rate bank balances and bank borrowing) are not presented as the management considers that the exposure of cash flow interest rate risk arising from variable-rate bank balances and bank borrowing is insignificant.

Other price risk

The Group is exposed to equity price risk through its financial assets measured at FVTPL (2024: investment of an associate measured at FVTPL and financial assets measured at FVTPL). Investment of an associate measured at FVTPL represents unquoted preference shares of an investee operating in the provision of biologics contract development and manufacturing services sector which were measured at FVTPL. Financial assets measured at FVTPL represents contingent consideration receivable arising from acquisition of Hudson Group (2024: unquoted shares of an investee operating in the provision of robotic warehouse automation sector and contingent consideration receivable arising from acquisition of Hudson Group).

40. FINANCIAL INSTRUMENTS *(Continued)*

Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and other receivables, bank balances and pledged bank deposits for the years ended 31 December 2025 and 2024.

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Trade and other receivables

For trade receivables, the ECL on these assets are assessed individually for debtors on the recoverability based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management of the Group believes that there is no material credit risk inherent in the Group's outstanding balance since initial recognition by the Group. The Group performs impairment assessment under lifetime ECL model. As at 31 December 2025 and 2024, the Group assessed the ECL for trade receivables was insignificant as it is considered that the loss given default is minimal after assessing the counterparties' financial background and creditability. Thus no loss allowance was recognised.

Before accepting any new customer, the Group performed internal credit risk assessment procedures to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers were reviewed regularly. Other monitoring procedures were in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debtor at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. To measure the ECL, trade receivables from contracts with customers were assessed individually.

For other receivables, the management make individual assessment on the recoverability of other receivables based on historical settlement records, past experience and also quantitative and qualitative information that is reasonable and supportive forward-looking information. There was no concentration risk of other receivables on 31 December 2025 and 2024. On 31 December 2025 and 2024, there was no significant increase in credit risk and the Group provided impairment based on 12m ECL.

Pledged bank deposits and bank balances

Credit risk on pledged bank deposits and bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. The Group assessed 12m ECL for pledged bank deposits and bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12m ECL on pledged bank deposits and bank balances is considered to be insignificant.

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40. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Credit risk and impairment assessment (Continued)

The Group's internal credit risk grading assessment comprises the following categories:

Category	Description	Trade and rent receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12m ECL
Watch list	Debtor frequently repays after due dates but usually settle in full	Lifetime ECL – not credit-impaired	12m ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired

The tables below detail the credit risk exposures of the Group's financial assets and rent receivables, which are subject to ECL assessment:

	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	2025 Gross carrying amount HK\$'000	2024 Gross carrying amount HK\$'000
Trade and rent receivables	24	N/A	Low risk	Lifetime ECL	8,885	8,491
Other receivables and deposits	24	N/A	(Note 1)	12m ECL	54,673	2,621
Pledge bank deposits	25	A3 (Note 2)	N/A	12m ECL	8,564	3,304
Bank balances	25	A1-A3 (Note 2)	N/A	12m ECL	5,606	18,116

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition for other receivables. The entire balance for other receivable is not past due or has no fixed repayment terms.
- External credit ratings are sourced from international credit-rating agencies.

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40. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Meanwhile, the Directors also assessed the going concern basis disclosed on Note 3 and are of the opinion that the Group will have sufficient funds to meet its financial obligations that will be due in the coming twelve months from 31 December 2025. The management of the Company monitors the utilisation of bank and other borrowings and ensures compliance with loan covenants.

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from contracted interest rate at the end of the reporting period.

	Weighted average interest rate %	Less than 1 year or on demand HK\$'000	1 to 5 years HK\$'000	Total undiscounted cash flows HK\$'000	Total carrying amount HK\$'000
As at 31 December 2025					
Trade and other payables	–	45,563	–	45,563	45,563
Other borrowings	7.8	290,138	105,340	395,478	358,692
Promissory notes	8.7	–	94,306	94,306	86,187
Loan from a non-controlling member of a subsidiary	10	14,253	–	14,253	13,373
Loan from a related party	–	11,112	–	11,112	11,112
Loan from a shareholder	7	–	38,354	38,354	33,279
Lease liabilities	3.7	2,197	1,434	3,631	3,527
		363,263	239,434	602,697	551,733
As at 31 December 2024					
Trade and other payables	–	22,752	–	22,752	22,752
Bank borrowing	6.6	20,371	–	20,371	20,371
Other borrowings	8.6	257,891	122,399	380,290	361,483
Promissory notes	9.5	–	92,100	92,100	77,740
Loan from a non-controlling member of a subsidiary	10	12,278	–	12,278	11,377
Loan from a related party	–	10,643	–	10,643	10,643
Lease liabilities	3.2	2,697	3,179	5,876	5,652
		326,632	217,678	544,310	510,018

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



40. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Liquidity risk (Continued)

Bank borrowing with a repayment on demand clause was included in the “less than 1 year or on demand” time band in the above maturity analysis. As at 31 December 2025, the aggregate carrying amounts of the bank borrowing amounted to Nil (2024: HK\$ 20,371,000). Taking into account the Group’s financial position, the management did not believe that it was probable that the bank would exercise its discretionary rights to demand immediate repayment. The management believed that such bank loan would be repaid three years after the end of the reporting period in accordance with the scheduled repayment dates set out in the loan agreements, details of which are set out in the table below:

	Maturity Analysis – Bank loan with a repayment on demand clause based on scheduled repayments		
	Less than 1 year HK\$'000	Total undiscounted cash outflows HK\$'000	Carrying amount HK\$'000
As at 31 December 2025	–	–	–
As at 31 December 2024	20,769	20,769	20,371

The amounts included above for variable interest rate instruments for financial liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

Fair value measurements of financial instruments

Some of the Group’s financial instruments are measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages an independent qualified professional valuers to perform the valuation. The Chief Financial Officer works closely with the independent qualified professional external valuer to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports the findings to the Directors at each reporting period to explain the cause of fluctuations in the fair value.

40. FINANCIAL INSTRUMENTS (Continued)**Financial risk management objectives and policies** (Continued)**Fair value measurements of financial instruments** (Continued)

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Fair value hierarchy as at 31 December 2025 and 2024

Financial assets	Fair value		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs
	2025 HK\$'000	2024 HK\$'000			
Financial asset at FVTPL – investment in Hai Robotics	N/A	15,965	Level 3	Investment cost plus accumulated return	Rate of return of 8% in compound interest (Note 3)
Financial asset at FVTPL – contingent consideration receivable	151,498	130,743	Level 1 (2024: Level 3)	2025 and 2024 Guaranteed Revenue and market price of the Company	N/A (2024: The expected revenue of Hudson Group for the period from 1 January 2025 to 31 December 2025 (Note 4))
Investment of an associate measured at FVTPL	N/A	40,402	Level 3	Market approach and option model	Volatility of 70% (Note 1); equity value (Note 2); time to liquidity event (Note 3); and liquidation and conversion probability (Note 3)

Notes:

As at 31 December 2024, the volatility and equity value was based on the volatilities and equity value of similar companies with assumptions of certain market conditions.

- (1) An increase in the volatility used in isolation would result in a increase in the fair value, and vice versa. 5% higher/lower in volatility holding all other variables constant would increase/decrease the fair value by HK\$2,340,000.
- (2) An increase in the equity value used in isolation would result in an increase in the fair value, and vice versa. 10% higher/lower in equity value holding all other variables constant would increase/ decrease the fair value by HK\$9,360,000.
- (3) No sensitivity is provided as the management of the Company considered that the impact arising from this input is insignificant.
- (4) An increase in the expected revenue of Hudson Group for the period from 1 January 2025 to 31 December 2025 would lead to a decrease in the fair value of contingent consideration receivable, vice versa.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



40. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

Reconciliation of Level 3 fair value measurements of financial assets

	HK\$'000
At 1 January 2024	132,430
Acquisition of subsidiaries	136,798
Unrealised fair value change recognised to profit or loss	(81,000)
Exchange realignment	(1,118)
At 31 December 2024	187,110
Disposal during the year	(56,367)
Unrealised fair value change recognised to profit or loss	20,755
Transfer to Level 1	(151,498)
At 31 December 2025	–

During the year, the fair value of the contingent consideration receivables was determined based on the actual revenue of Hudson Group for the year ended 31 December 2025, as a result, the fair value hierarchy for these assets were transferred from Level 3 to Level 1.

Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

41. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to the shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which represents bank and other borrowings, loan from a non-controlling member of a subsidiary, loan from a related party, loan from a shareholder and promissory notes, net with cash and cash equivalents, and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a continuous basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details change in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flow will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank and other borrowings (Note 27) HK\$'000	Loan from a related party (Note 29) HK\$'000	Loan from a shareholder (Note 29) HK\$'000	Loan from a non- controlling member of a subsidiary (Note 28) HK\$'000	Promissory notes (Note 31) HK\$'000	Lease liabilities (Note 30) HK\$'000	Total HK\$'000
At 1 January 2024	343,633	11,013	-	10,577	29,700	2,252	397,175
Arising from an acquisition of a subsidiary	25,952	-	-	-	45,834	-	71,786
Financing cash flows	(11,536)	-	-	-	-	-	(11,536)
Interest expenses	30,438	-	-	1,059	2,206	78	33,781
Lease modification	-	-	-	-	-	(1,315)	(1,315)
New lease entered	-	-	-	-	-	4,760	4,760
Exchange realignment	(6,633)	(370)	-	(259)	-	(123)	(7,385)
At 31 December 2024	381,854	10,643	-	11,377	77,740	5,652	487,266
Financing cash flows	(33,959)	-	32,000	-	-	(2,565)	(4,524)
Interest expenses	31,716	-	1,279	1,078	8,447	124	42,644
Loan repaid by transferring of equity interest in the associate (Note 21)	(41,000)	-	-	-	-	-	(41,000)
Exchange realignment	20,081	469	-	918	-	316	21,784
At 31 December 2025	358,692	11,112	33,279	13,373	86,187	3,527	506,170

43. CAPITAL COMMITMENT

	2025 HK\$'000	2024 HK\$'000
Capital expenditure in respect of the acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	7,183	6,879

Notes to the Consolidated Financial Statements

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 December 2025 and 2024 are as follows:

Name of company	Place of incorporation/ establishment/ operations	Class of shares held	Fully paid-up and issued/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
				2025	2024	
				%	%	
AI Administration Limited	Hong Kong	Ordinary	HK\$1	100	100	Administration
Auto Italia (Finance) Limited	Hong Kong	Ordinary	HK\$1	100	100	Provision of financial services
Auto Italia Services Limited	Hong Kong	Ordinary	HK\$2,000,000	100	100	Provision of company secretarial services to the Group
Corich Enterprises Inc.	BVI	Ordinary	USD100	100	100	Investment holding
Dakota Capella LLP	United Kingdom	N/A	GBP12,760,001	65.45	65.45	Property holding
Dakota RE II Limited	BVI	Ordinary	GBP16,559	70.57	70.57	Property holding
Elite Jumbo Limited	BVI	Ordinary	USD1	100	100	Investment holding
Greenroot Investments Limited ⁽¹⁾	BVI	Ordinary	USD1	100	100	Investment holding
Hudson Automotive (Hong Kong) Co., Ltd ⁽⁴⁾	Hong Kong	Ordinary	HK\$100,000	100	N/A	Research and development, production and export of EVs to the European market
Hudson Automotive Import and Export (Chongqing) Co., Ltd. [#] (瀚德遜汽車進出口(重慶)有限公司) ⁽³⁾	PRC	N/A	RMB1,000,000	100	100	Sales and export of EVs to the European market
Hudson Automotive Technology (Chongqing) Co., Ltd. [#] (瀚德遜汽車科技(重慶)有限公司) ⁽³⁾	PRC	N/A	RMB25,000,000	100	100	Research and development, production and export of EVs to the European market
Hudson Dutch Automotive B.V. ⁽⁴⁾	Netherlands	Ordinary	EUR100,000	100	N/A	Research and development, production and export of EVs to the European market

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Name of company	Place of incorporation/ establishment/ operations	Class of shares held	Fully paid-up and issued/ registered capital	Proportion of nominal value of issued capital/ registered capital held by the Company		Principal activities
				2025 %	2024 %	
Hudson EV Europe Holding B.V. ⁽⁴⁾	Netherlands	Ordinary	EUR100,000	100	N/A	Research and development, production and export of EVs to the European market
Hudson Holding Limited	Samoa	Ordinary	USD100	100	100	Investment holding
Hudson Technology Limited	Hong Kong	Ordinary	HK\$100	100	100	Investment holding
Home Crown Enterprises Ltd.	BVI	Ordinary	USD1	100	100	Investment holding
Pingtian Datian Zhicheng Technology Co., Ltd. [#] (平潭大田智程科技有限公司) ⁽²⁾	PRC	N/A	RMB8,000,000	100	100	Research and development, sales of auto parts and accessories for vehicles, as well as the sales of EVs and related accessories
Rise Champ Limited	Hong Kong	Ordinary	HK\$1	100	100	Property holding
Smart Apex Holdings Limited ⁽¹⁾	BVI	Ordinary	USD1	100	100	Investment holding
Success Master Holdings Limited	Hong Kong	Ordinary	HK\$1	100	100	Investment holding
Taine Holdings Limited	BVI	Ordinary	USD1	100	100	Provision of financial services
勵快駿投資諮詢(上海)有限公司 ⁽²⁾	PRC	N/A	HK\$1,000,000	100	100	Investment holding

⁽¹⁾ These entities are directly held by the Company.

⁽²⁾ This entity is wholly foreign owned enterprises registered in PRC.

⁽³⁾ These entities are wholly domestic owned enterprises registered in the PRC.

⁽⁴⁾ These entities are newly incorporated during the year ended 31 December 2025.

[#] For identification purpose only

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities at the end of the year.

Notes to the Consolidated Financial Statements

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2025	2024	2025	2024	2025	2024
		%	%	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Dakota RE II Limited*	BVI	29.43	29.43	3,998	6,160	60,481	52,372
<i>Non-wholly owned subsidiary of Dakota RE II Limited</i>							
Dakota Capella LLP	UK	7.25	7.25	26	742	3,619	3,331
Individually immaterial subsidiary with non-controlling interests				(2,169)	(2,827)	1,390	1,512
				1,855	4,075	65,490	57,215

* excluding non-controlling interests of Dakota RE II Limited's subsidiary

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts prior to inter-company elimination.

Dakota RE II Limited and subsidiary

	2025 HK\$'000	2024 HK\$'000
Current assets	14,255	22,873
Non-current assets	476,906	418,839
Current liabilities	(283,131)	(261,730)
Equity attributable to owners of the Company	143,930	124,279
Non-controlling interests of Dakota RE II Limited	60,481	52,372
Non-controlling interests of Dakota Capella LLP	3,619	3,331

Notes to the Consolidated Financial Statements

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44. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY *(Continued)*

Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

Dakota RE II Limited and subsidiary (Continued)

	Year ended 31/12/2025 HK\$'000	Year ended 31/12/2024 HK\$'000
Revenue	26,014	24,314
Expenses	(12,403)	(2,345)
Profit for the year	13,611	21,969
Profit attributable to owners of the Company	9,587	15,067
Profit attributable to the non-controlling interests of Dakota RE II Limited	3,998	6,160
Profit attributable to the non-controlling interests of Dakota Capella LLP	26	742
Profit for the year	13,611	21,969
Other comprehensive income (expense) attributable to owners of the Company	10,063	(68)
Other comprehensive income attributable to the non-controlling interests of Dakota RE II Limited	4,111	5,544
Other comprehensive income attributable to the non-controlling interests of Dakota Capella LLP	262	948
Other comprehensive income for the year	14,436	6,424
Total comprehensive income attributable to owners of the Company	19,650	14,999
Total comprehensive income attributable to the non-controlling interests of Dakota RE II Limited	8,109	11,704
Total comprehensive income attributable to the non-controlling interests of Dakota Capella LLP	288	1,690
Total comprehensive income for the year	28,047	28,393
Net cash inflow from operating activities	13,134	21,792
Net cash (outflow) inflow from investing activities	(5,065)	412
Net cash outflow from financing activities	(23,621)	(22,222)
Net cash outflow	(15,552)	(18)

Notes to the Consolidated Financial Statements

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45. EVENTS AFTER THE REPORTING PERIOD

On 13 February 2026 (after trading hours), the Company and a placing agent entered into a placing agreement dated 13 February 2026 ("**Placing Agreement**"), pursuant to which the placing agent has conditionally agreed to procure, on a best-efforts basis, not less than six independent institutional, professional and/or individual investors ("**Placees**") to subscribe for up to 50,000,000 new ordinary shares of the Company ("**Placing Share**") at the placing price of HK\$0.30 per share ("**Placing**"). All the conditions under the Placing Agreement have been satisfied and the completion of the Placing took place on 26 February 2026. A total of 50,000,000 Placing Shares have been successfully placed by the placing agent to no less than six Placees at the placing price of HK\$0.30 per Placing Share pursuant to the terms and conditions of the Placing Agreement.

The Directors further announces that on 13 February 2026 (after trading hours), the Company entered into a subscription agreement dated 13 February 2026 ("**Subscription Agreement**") with the subscriber, pursuant to which the Company has conditionally agreed to issue to the subscriber, and the subscriber have conditionally agreed to subscribe for, the 3.0% coupon rate convertible bonds in the aggregate principal amount of HK\$98,000,000 to be issued by the Company ("**Convertible Bonds**") at the conversion price of HK\$0.34 per ordinary share of the Company which may be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds. All the conditions precedent under the Subscription Agreement have been fulfilled and the issue of the Convertible Bonds in an aggregate principal amount of HK\$98,000,000 was completed on 26 February 2026. The Convertible Bonds are convertible into ordinary share of the Company at an initial conversion price of HK\$0.34 per share (subject to adjustments), and assuming full conversion of the Convertible Bonds at the initial conversion price of HK\$0.34 per Share, the Convertible Bonds will be convertible into 288,235,294 ordinary shares of the Company. The subscription price of HK\$98,000,000 was paid by the subscriber by way of offsetting the indebted amounts due to the subscriber by the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Unlisted investments in subsidiaries	4,021	64,707
Amounts due from subsidiaries	134,439	308,377
	138,460	373,084
Current assets		
Other receivables	932	897
Amounts due from subsidiaries	218	2,752
Pledged bank deposits	–	851
Bank balances and cash	1,445	1,122
	2,595	5,622
Total assets	141,055	378,706
Current liabilities		
Other payables	2,140	1,536
Amounts due to subsidiaries	106,828	66,710
Bank and other borrowings	–	20,371
Total liabilities	108,968	88,617
Net current liabilities	(106,373)	(82,995)
Total assets less current liabilities	32,087	290,089
Capital and reserves		
Share capital	121,850	121,850
Reserves (Note)	(183,265)	76,538
Total equity	(61,415)	198,388
Non-current liability		
Bank and other borrowings	93,502	91,701
	32,087	290,089

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025



46. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Note:

Reserves of the Company

	Share premium HK\$'000	Capital redemption reserve HK\$'000	Share option reserve HK\$'000	Other reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	265,726	2,151	19,362	46,396	(187,271)	146,364
Loss and total comprehensive expense for the year	–	–	–	–	(209,825)	(209,825)
Acquisition of subsidiaries	139,999	–	–	–	–	139,999
At 31 December 2024	405,725	2,151	19,362	46,396	(397,096)	76,538
Loss and total comprehensive expense for the year	–	–	–	–	(259,803)	(259,803)
At 31 December 2025	405,725	2,151	19,362	46,396	(656,899)	(183,265)

FIVE-YEAR FINANCIAL SUMMARY

	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Results					
Revenue	96,441	31,322	47,504	29,479	79,337
Loss for the year	(96,047)	(97,006)	(205,897)	(85,590)	(6,282)
Attributable to:					
Owners of the Company	(99,156)	(102,136)	(179,285)	(63,405)	(7,140)
Non-controlling interests	3,109	5,130	(26,612)	(22,185)	858
	(96,047)	(97,006)	(205,897)	(85,590)	(6,282)
Assets and liabilities					
Total assets	760,686	797,211	628,539	782,262	902,311
Total liabilities	(571,740)	(529,698)	(417,256)	(391,336)	(407,259)
Net assets	188,946	267,513	211,283	390,926	495,052
Equity attributable to:					
Owners of the Company	126,020	212,587	164,625	322,065	391,662
Non-controlling interests	62,926	54,926	46,658	68,861	103,390
Total equity	188,946	267,513	211,283	390,926	495,052

GLOSSARY OF TERMS



In this annual report, unless the context otherwise requires, the following expressions have the meanings as mentioned below:

“AGM”	the annual general meeting of the Company;
“associate(s)”	has the same meaning as ascribed to it under the Listing Rules;
“Audit Committee”	the audit committee under the Board;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Bye-laws”	the bye-laws of the Company as amended, supplemented or otherwise modified from time to time;
“Capella”	the property known as Capella, 60 York Street, Glasgow, G2 8JX, United Kingdom;
“Car Division”	the business segment of the Group in respect of trading cars and related accessories, research and development and sales of electric vehicles and related accessories to the European market;
“CBL”	Chime Biologics Limited, a company incorporated in British Virgin Islands with limited liability and which is an associate company of the Company;
“CG Code”	the Corporate Governance Code contained in Appendix C1 of the Listing Rules;
“Chief Executive Officer”	the chief executive officer of the Company;
“CODM”	the chief operating decision maker of the Company;
“Companies Act”	Companies Act 1981 of Bermuda (as amended), supplemented or otherwise modified from time to time;
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
“Company”	AUTO ITALIA HOLDINGS LIMITED, an exempted company incorporated in Bermuda with limited liability, whose Shares are listed on the main board of the Stock Exchange;
“Company Secretary”	the company secretary of the Company;
“Director(s)”	the director(s) of the Company;
“EIT Law”	the law of the PRC on enterprise income tax;
“ESG”	the environmental, social and governance;

“ESG Guide”	Environmental, Social and Governance Reporting Guide contained In Appendix C2 of the Listing Rules;
“EUR”	Euro, the lawful currency of European Union;
“Executive Chairman”	the chairman of the Board;
“Executive Director(s)”	the executive director(s) of the Company;
“Executive Directors’ Committee”	the executive directors’ committee of the Company;
“Financial Investments and Services Division”	the business segment of the Group in respect of securities investment, financing and corporate finance services;
“GBP”	the Great British pound, the lawful currency of the United Kingdom;
“GEM”	GEM operated by the Stock Exchange under the Rules Governing the Listing of Securities on the GEM of the Stock Exchange;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKFRSs”	Hong Kong Financial Reporting Standards;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Non-executive Director(s)” or “INED(s)”	the independent non-executive director(s) of the Company;
“Latest Practicable Date”	27 March 2026;
“Life Science Investment Division”	the business segment of the Group in respect of life science investment;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Macau”	the Macau Special Administrative Region of the PRC;
“Main Board”	the stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Stock Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM;
“Maserati”	an Italian luxury vehicle manufacturer, was initially associated with Ferrari S.p.A., and currently owned by Stellantis N.V.;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules;

Glossary of Terms



“Nomination Committee”	the nomination committee under the Board;
“Non-executive Director”	the non-executive director of the Company
“PRC” or “Mainland China” or “China”	The People’s Republic of China, which for the purpose of this report, excluding Hong Kong, Macau and Taiwan;
“Property Investment Division”	the business segment of the Group in respect of property investment;
“Remuneration Committee”	the remuneration committee under the Board;
“Report”	the annual report of the Company for the year ended 31 December 2025;
“Reporting Period”	the reporting period for the year ended 31 December 2025;
“RMB”	Renminbi, the lawful currency of the PRC;
“RMTF”	the risk management taskforce;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGM”	the special general meeting of the Company;
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Code”	the stock code on the Main Board and GEM;
“Stock Exchange” or “HKEx”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	has the same meaning as ascribed to it under the Listing Rules;
“substantial shareholder”	has the same meaning as ascribed to it under the Listing Rules;
“SWCS”	SWCS Corporate Services Group (Hong Kong) Limited, the company secretarial services provider;
“Treasury Shares”	has the same meaning ascribed to it under the Listing Rules;
“US\$”	United States Dollars, the lawful currency of the United States of America;
“Vice-Chairman”	the vice chairman of the Board;
“VMSIG”	VMS Investment Group Limited, the substantial shareholder of the Company;
“%”	per cent.