



KAISA CAPITAL INVESTMENT HOLDINGS LIMITED
佳兆業資本投資集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 936)

2025
ANNUAL REPORT

CONTENTS

Corporate Information	2
Chairman's Statement	3
Management Discussion and Analysis	4
Biographical Details of Directors	8
Report of the Directors	11
Corporate Governance Report	19
Environmental, Social and Governance Report	33
Independent Auditor's Report	73
Consolidated Statement of Profit or Loss and Other Comprehensive Income	78
Consolidated Statement of Financial Position	79
Consolidated Statement of Changes in Equity	81
Consolidated Statement of Cash Flows	82
Notes to the Consolidated Financial Statements	84
Five-Year Financial Summary	159



2 CORPORATE INFORMATION

EXECUTIVE DIRECTORS

Mr. Kwok Ying Shing (*Chairman*)
Ms. Kwok Hiu Yan (*Vice Chairman*)
(*appointed on 14 April 2026*)
Mr. Yu Huiming (*Executive President*)
Ms. Lee Kin Ping Gigi

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaowu
Mr. Li Yongjun
Mr. Diao Yingfeng

COMPANY SECRETARY

Ms. Poon Yuk Ching Ada

AUTHORISED REPRESENTATIVES

Mr. Yu Huiming
Ms. Poon Yuk Ching Ada

PRINCIPAL BANKERS

Hong Kong
Bank of China (Hong Kong) Limited
United Overseas Bank Limited
Singapore
United Overseas Bank Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

AUDIT COMMITTEE

Mr. Xu Xiaowu (*Chairman*)
Mr. Li Yongjun
Mr. Diao Yingfeng

REMUNERATION COMMITTEE

Mr. Li Yongjun (*Chairman*)
Mr. Kwok Ying Shing
Mr. Diao Yingfeng

NOMINATION COMMITTEE

Mr. Kwok Ying Shing (*Chairman*)
Ms. Lee Kin Ping Gigi
Mr. Xu Xiaowu
Mr. Li Yongjun
Mr. Diao Yingfeng

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

30/F., The Center
99 Queen's Road Central
Central, Hong Kong

INDEPENDENT AUDITOR

Baker Tilly Hong Kong Limited
*Hong Kong Certified Public Accountants and
Registered Public Interest Entity Auditor*

WEBSITE

<https://kaisa-capital.com>

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

936

Board Lot

10,000 shares

Dear Shareholders,

I am pleased to present the annual results of Kaisa Capital Investment Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2025 (the “**Year**”).

During the Year, the Group generated revenue from continuing operations of approximately HK\$237.5 million (the financial year ended 31 December 2024 (“**FY2024**”): approximately HK\$225.1 million) with a profit for the Year from continuing operations of approximately HK\$6.8 million (FY2024: approximately HK\$5.9 million).

The outlook for the construction sectors in Singapore and Hong Kong remains positive, providing a solid foundation for the Group’s long-term development. In Singapore, ongoing mega infrastructure and integrated development projects will sustain robust construction demand. Supported by official projections, annual construction demand is expected to remain at a high level of S\$39 billion to S\$46 billion from 2026 to 2029. The widespread adoption of prefabricated and efficient construction methods will continue to drive steady demand for medium to large tower cranes, in which the Group holds a competitive edge.

In Hong Kong, increased government capital works expenditure, focused on the Northern Metropolis and public infrastructure, together with a recovering private residential market, will boost demand for high-performance tower cranes and revitalise the equipment rental market. The Group will seize these opportunities through operational optimisation, strategic expansion and value enhancement.

Aligning with smart and digital construction initiatives, the Group has further rolled out its 4S Smart Safety Site system, powered by a Centralised Management Platform integrating intelligent monitoring, anti collision protection, drone inspection and real time alerts to enhance safety and operational efficiency. We have also established a strategic partnership with a leading mainland technology enterprise to explore high potential markets including Hong Kong, Singapore and the Middle East.

Backed by a strong equipment base, professional support and long standing client relationships, the Group is well positioned to capture market growth, strengthen its market presence and create sustainable value for shareholders.

Appreciation

The performance of the Company is contributed by the dedicated efforts of our management and staff and the strong support from all sectors of the business community. On behalf of the Board, I would like to express our sincere appreciation to all the Company’s stakeholders for their support to the Company over the years and to our valued customers, business partners and investors for their continuous support to the Group.

Kwok Ying Shing

Chairman

Hong Kong
26 March 2026

4 MANAGEMENT DISCUSSION AND ANALYSIS

OPERATIONAL AND FINANCIAL REVIEW

Overall Performance

For the Year, the Group generated revenue from continuing operations of approximately HK\$237.5 million (FY2024: approximately HK\$225.1 million) with a profit for the Year from continuing operations of approximately HK\$6.8 million (FY2024: approximately HK\$5.9 million).

Business Review

Construction Equipment Business

Revenue from sales of machinery was approximately HK\$4.4 million for the Year, representing an increase of approximately 64.3% as compared to the amount the Group achieved for FY2024. This was due to an increase in the demand for new cranes in Hong Kong and Singapore.

Rental income from leasing of machinery increased from approximately HK\$155.8 million to approximately HK\$158.3 million for the Year, representing an increase of approximately 1.6% year over year mainly due to an increase in the demand for crane leasing market in Singapore.

Revenue from service income increased from approximately HK\$64.6 million to approximately HK\$71.5 million for the Year, representing an increase of approximately 10.8% year over year mainly due to an increase in demand for service in Hong Kong.

Sales of spare parts was approximately HK\$3.3 million for the Year, representing an increase of approximately 60.2% from the amount recorded for FY2024. The increase was mainly due to the change in market demand for spare parts for the machinery.

Hong Kong segment

In Hong Kong segment, revenue decreased by approximately HK\$7.8 million, or 7.1%, from approximately HK\$111.1 million in FY2024 to approximately HK\$103.3 million in the Year. It was mainly due to a decrease in the utilisation rate of cranes.

Singapore segment

In Singapore segment, revenue increased by approximately HK\$16.8 million, or 18.5%, from approximately HK\$90.8 million in FY2024 to approximately HK\$107.6 million in the Year. It was mainly due to the increases in the number and utilisation rate of cranes.

PRC segment

In PRC segment, revenue increased by approximately HK\$3.4 million, or 15.0%, from approximately HK\$23.2 million in FY2024 to approximately HK\$26.6 million in the Year. It was mainly due to an increase in construction activities of the real estate development companies.

Dividend

The Board has resolved not to recommend the payment of any final dividend for the Year (FY2024: Nil).

Financial Review

Results for the Year

As stated in the section headed “Overall Performance” above, the Group recorded a profit from continuing operations of approximately HK\$6.8 million for the Year (FY2024: approximately HK\$5.9 million).

For the Year, the Group’s other income and gains from continuing operations amounted to approximately HK\$6.8 million, representing an increase of approximately 109.2% compared to that of FY2024. The increase was mainly attributable to an increase in exchange gain.

As at 31 December 2025, the Group’s property, plant and equipment amounted to approximately HK\$212.3 million, representing an increase of approximately 12.7% compared to that as at 31 December 2024. The depreciation charges included in other operating expenses, and staff costs included in cost of sales and administrative expenses for the Year increased by approximately HK\$4.6 million and decreased by HK\$9.2 million, respectively, as compared to the amounts for the previous year.

Finance costs amounted to approximately HK\$11.4 million for the Year, representing an increase of approximately 1.3% compared to those of FY2024.

Liquidity and Financial Resources

As at 31 December 2025,

- (a) the Group had cash and cash equivalents of approximately HK\$6.0 million (31 December 2024: approximately HK\$14.4 million);
- (b) the total equity of the Group increased to approximately HK\$38.5 million (31 December 2024: approximately HK\$27.8 million); and
- (c) the Group had net current liabilities of approximately HK\$256.9 million (31 December 2024: approximately HK\$227.9 million).

Capital Structure

As at 31 December 2025, the Company’s share capital comprised 1,060,000,000 issued ordinary shares with par value of HK\$0.01 each (the “**Shares**”, each, a “**Share**”). There was no change in the share capital of the Company during the Year.

Investment Position and Planning

During the Year, the Group spent approximately HK\$67.3 million for acquisition of plant and equipment and right-of-use asset (FY2024: approximately HK\$104.7 million).

Significant Investments/Material Acquisitions and Disposals

Saved as disclosed above, the Group had not made any significant investments or material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year.

6 MANAGEMENT DISCUSSION AND ANALYSIS

Future Plan for Material Investments or Capital Assets

Saved as disclosed above, the Group did not have other plans for material investments and capital assets as at 31 December 2025.

Gearing

The Group monitors capital using a gearing ratio, which is calculated by dividing the total debts (sum of carrying amounts of other loans, borrowings and lease liabilities) by the total equity as at the respective dates. The Group's gearing ratio as at 31 December 2025 was decreased to 4.7 (31 December 2024: 7.6), mainly due to a decrease in total debts and an increase in total equity for the Year.

Pledge of Group's Assets and Contingent Liabilities

As at 31 December 2025,

- (a) the Group's banking facilities were secured by the Group's estate right title benefit and interest of the leasehold land, as well as a building of the Group with an aggregate carrying amount of HK\$Nil (31 December 2024: approximately HK\$24.9 million), property, plant and equipment of HK\$Nil (31 December 2024: approximately HK\$2.6 million), and corporate guarantees executed by the Company and certain subsidiaries;
- (b) the Group's lease liabilities were secured by machinery of approximately HK\$158.0 million (31 December 2024: approximately HK\$174.8 million);
- (c) the Group's other borrowings were secured by property, plant and equipment of approximately HK\$8.7 million (31 December 2024: approximately HK\$25.1 million) and corporate guarantees executed by the Company and certain subsidiaries; and
- (d) the Group and the Company did not have any significant contingent liabilities (31 December 2024: Nil).

Exchange Rate Exposure

During the Year and as at 31 December 2025, more than half of the revenue and part of assets and liabilities of the Group were denominated in currencies other than Hong Kong dollars. In particular, the revenue generated from the Group's rental operations in Singapore and the Mainland China were primarily denominated in Singapore dollars and Renminbi, respectively. Purchases of tower cranes, spare parts and accessories from suppliers were usually denominated in Euro, United States dollars or Renminbi. For purchases in foreign currencies, hedging transactions may be entered into against fluctuations in the foreign exchange rate. However, no hedging arrangement was undertaken for revenue generated from the Group's operations in Singapore and the Mainland China.

Treasury Policies

The Group generally finances its ordinary operations with internally generated resources or banking facilities. The interest rates of most of the borrowings and finance lease arrangement are charged by reference to prevailing market rates.

Commitments

As at 31 December 2025, the Group had total capital commitments of approximately HK\$7.3 million (31 December 2024: approximately HK\$20.7 million).

EMPLOYMENT AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total of 106 (31 December 2024: 109) employees in Hong Kong, Singapore and the Mainland China. The Group has not had any significant problems with its employees or disruptions due to labour disputes nor has it experienced any difficulties in the recruitment and retention of experienced staff. The Group remunerates its employees based on industry practices. Its staff benefits, welfare and statutory contributions, if any, are made in accordance with individual performance and prevailing labour laws of its operating entities. Periodic in-house trainings have been provided to the employees to enhance the knowledge of the workforce.

FUTURE OUTLOOK

The construction industry in Singapore is expected to maintain a solid growth in 2026. Supported by ongoing large-scale infrastructure and integrated development projects, industry demand is anticipated to remain strong. Major projects include the Changi Airport Terminal 5 (T5), the expansion of the Marina Bay Sands Integrated Resort, as well as public housing, healthcare, educational and high-specification industrial developments, all of which are expected to provide stable and sizeable construction demand for the market.

In Singapore, according to the medium-term forecast of the Building and Construction Authority, the annual average construction demand for the period from 2026 to 2029 is expected to remain high reaching S\$39 billion to S\$46 billion. With the increasing adoption of prefabricated construction and efficient construction model, medium to large-sized tower cranes continue to represent the mainstream equipment in demand in the market. Leveraging its stable equipment base, comprehensive engineering support capabilities and long-term customer relationships, the Group is expected to continue to benefit from this market trend.

In respect of the Hong Kong construction market, according to the medium range forecast of the HKSAR Government, the average annual capital works expenditure in the coming years is expected to increase to approximately HK\$120 billion, with a focus on the Northern Metropolis and various livelihood infrastructure. Meanwhile, as the property market shows signs of recovery in 2026, the private residential development market is anticipated to regain momentum and demonstrate a steady rebound. Under the favourable environment of concurrent growth in both public and private projects, market demand for high-performance tower cranes is becoming increasingly robust, which will directly drive the activity of the rental market. The Group will continue to formulate strategies in the aspects of internal optimization, external expansion and value enhancement so as to further strengthen its market competitiveness.

The Group actively responds to the policy directives of the Hong Kong and Singapore governments on “Smart Building” and “Digital Construction”. During FY2025, the Group has comprehensively expanded the application scale of its “Smart Site Safety” (4S). By deploying a centralized management platform (CMP) as the core, it integrates mobile machinery alarm systems, high-precision collision prevention monitoring, remote drone inspection and real-time alarm technologies. It aims to establish a standardized and digital working environment, fulfill the Group’s occupational safety commitments, improve project quality and expand its market share in tower crane rental.

The Group has also entered into a strategic partnership with Pinming Technology Co., Ltd. (品茗科技股份有限公司), a leading player in this industry in Mainland China, to jointly expand business in developed regions including Hong Kong, Singapore and the Middle East.

8 BIOGRAPHICAL DETAILS OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Kwok Ying Shing, aged 61, is the chairman of the Board (the “**Chairman**”) and an executive Director. Mr. Kwok was appointed as the Chairman and an executive Director on 16 July 2021. He is also the chairman of the nomination committee of the Board (the “**Nomination Committee**”) and a member of the remuneration committee of the Board (the “**Remuneration Committee**”).

Mr. Kwok is currently the chairman of the board of directors and an executive director of Kaisa Group Holdings Ltd (stock code: 1638) (“**Kaisa Group**”), the ultimate beneficial owner of the controlling shareholder of the Company, Kaisa Health Group Holdings Limited (stock code: 876) and Kaisa Prosperity Holdings Limited (stock code: 2168) and the co-chairman of the board of directors and an executive director of Sing Tao News Corporation Limited (stock code: 1105). These companies are all listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). He is one of the founders of Kaisa Group and has been the chairman of its board and a director since its inception in 1999. Mr. Kwok is primarily responsible for overall strategy, investment planning and human resource strategy of Kaisa Group. Mr. Kwok has extensive experience in real estate development, investment and financing management.

Mr. Yu Huiming, aged 36, is an executive Director and executive president of the Company appointed on 18 July 2025, is responsible for the overall management and operations of the Group. He is also a director of certain subsidiaries of the Company.

Mr. Yu joined Kaisa Group, the ultimate beneficial owner of the controlling shareholder of the Company, in 2021, and successively served as the general manager of investment banking division, the head of the capital market division of Kaisa Group. From October 2024 to July 2025, Mr. Yu was an executive director and assistant president of Kaisa Health Group Holdings Limited (stock code: 876). He had worked in KPMG Huazhen LLP as an associate in financial service, Country Garden Holdings Company Limited as investment director, China Vanke Co., Ltd. as investment director before joining Kaisa Group. Mr. Yu graduated from Shanghai University of Finance and Economics with a bachelor’s degree of Management and Columbia University in the City of New York with a master’s degree of science.

Ms. Lee Kin Ping Gigi, aged 44, is an executive Director appointed on 16 July 2021 and appointed as a member of the Nomination Committee since 27 June 2025. She is also a director of certain subsidiaries of the Company.

Ms. Lee is the vice president of Kaisa Group. Ms. Lee is responsible for the management of Account, legal and compliance, and administration and human resources department of Kaisa Financial Group Company Limited, a subsidiary of Kaisa Group. Ms. Lee is one of the directors of Mighty Empire Group Limited, a controlling shareholder of the Company. Ms. Lee has served as the general manager of administration and human resources department of Hong Kong office of Kaisa Group, as well as the general manager of public relations and investor relations department and the vice president of Kaisa Financial Group Company Limited since 2015. Ms. Lee holds a postgraduate diploma in Corporate Compliance from the University of Hong Kong and a Master’s degree in Business Administration from Wrexham University. Ms. Lee is presently pursuing a Master of Laws (LLM) degree at the University of Greenwich.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiaowu, aged 52, was appointed as an independent non-executive Director on 4 November 2019. Mr. Xu is also the chairman of the audit committee of the Company (the “**Audit Committee**”) and a member of the Nomination Committee.

Mr. Xu has more than 30 years of experience in audit and accounting works in the PRC. He worked as an auditor and accountant in various accounting firms in the PRC. Mr. Xu was an executive partner of 深圳國浩會計師事務所 (Shenzhen Guohao Accounting Firm*) from January 2005 to May 2010, the deputy branch manager of China Audit Asia Pacific Certified Public Accountants LLP, Shenzhen Branch (中審亞太會計師事務所深圳分所) from June 2010 to July 2013, a senior consultant of 深圳國浩會計師事務所 (Shenzhen Guohao Accounting Firm*) from August 2013 to September 2015, and the branch manager of 中證天通會計師事務所深圳分所 (Zhongzheng Tiantong Accounting Firm, Shenzhen Branch) from October 2015 to October 2024. He has been a partner of Shenzhen Guohao CPA Ltd. since November 2024.

Mr. Xu was an independent director of each of 深圳市有方科技股份有限公司 (Shenzhen Neoway Technology Co., Ltd.*) (a company listed on the Shanghai Stock Exchange, stock code: 688159) from July 2017 to July 2023 and has been an independent director of 廣東塔牌集團股份有限公司 (Guangdong Tapai Group Co., Ltd.*) (a company listed on the Shenzhen Stock Exchange, stock code: 002233) since June 2019 and Shenzhen Bauing Construction Holding Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 002047) since December 2022.

Mr. Xu obtained a master of business administration in New York Institute of Technology, the United States of America, in May 2013 and was qualified as a certified accountant in the PRC in August 1999.

Mr. Li Yongjun, aged 60, was appointed as an independent non-executive Director on 4 November 2019. Mr. Li is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee.

Mr. Li has more than 30 years of experience in legal works in the PRC. He worked as the legal consultant of 唐山鋼鐵股份有限公司 (Tangshan Iron and Steel Co., Ltd.*) (a company listed on the Shenzhen Stock Exchange, stock code: 000709, now known as 河鋼股份有限公司 (Hegang Co., Ltd.*)) in the 1980s. From 1998 to 2010, Mr. Li worked for 廣東萬商律師事務所 (Guangdong V&T Law Firm*) and 廣東江山宏律師事務所 (Guangdong Jiangshanhong Law Firm*) in Shenzhen, served as a legal consultant in PRC law for Hon Hai/Foxconn Technology Group of Taiwan. He currently provides legal advice to a number of larger Chinese companies, including serving as a supplier counsel for China National Building Materials Resources Co., Ltd. and Luhai Resources Co., Ltd., subsidiaries of China National Building Material Co., Ltd. For many consecutive years, we have served as legal counsel for the Guangxi Shenzhen Chamber of Commerce, the China subsidiary of Taiwan Hantang System Integration Co., Ltd., and Hubei Baofeng Industrial Co., Ltd. He is a senior partner of Beijing Longan Law Firm and its Shenzhen branch, providing legal opinions and legal consulting services to many companies regarding various legal disputes, including litigation and arbitration.

Mr. Li obtained a bachelor of laws degree from China University of Political Science and Law (中國政法大學), the PRC, in 1987 and was qualified as a PRC lawyer in 1988. He obtained a doctor of philosophy in laws from China University of Political Science and Law (中國政法大學), the PRC, in 2009.

* For identification purposes only

10 BIOGRAPHICAL DETAILS OF DIRECTORS

Mr. Diao Yingfeng, aged 54, was appointed as an independent non-executive Director on 6 December 2019. Mr. Diao is a member of each of the Audit Committee, Nomination Committee and the Remuneration Committee.

Mr. Diao has more than 20 years of experience in tax and accounting works in the PRC. He worked as a partner, tax adviser and accountant in various taxation agency firms in the PRC. Mr. Diao worked as a Deputy General Manager of 廣東中成海華稅務師事務所有限公司深圳分公司 (Guangdong Zhongcheng Haihua Taxation Agency Co., Ltd., Shenzhen branch*) from March 2003 to December 2008, was the head of 深圳市嘉信瑞稅務師事務所有限公司 (Jiaxinrui Taxation Agency Co., Ltd. (Shenzhen)*) from January 2009 to October 2016, and has been working as an executive director of 立信德豪稅務師事務所(深圳)有限公司 (Lixin Certified Tax Agents (Shenzhen) Co., Ltd.) since November 2016.

Mr. Diao is currently an executive director of the 4th board of the Shenzhen Certified Tax Agents Association and the head member of its Professional Technical Committee* (專業技術委員會). Mr. Diao was an independent nonexecutive director of 河南易成新能源股份有限公司 (Henan Yicheng New Energy Co., Ltd.*) (a company listed on the Shenzhen Stock Exchange, stock code: 300080) from August 2017 to November 2019.

Mr. Diao obtained a bachelor of accounting degree in Changchun University (長春財經大學) (formerly known as Changchun Taxation College (長春稅務學院)) in the PRC in 1998, and was qualified as a certified accountant in the PRC in 2003 and as a certified tax adviser in the PRC in 2009.

* For identification purposes only

The directors of Kaisa Capital Investment Holdings Limited (the “**Company**” and the “**Director(s)**”, respectively”) are pleased to present their report and the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2025 (the “**Year**” and the “**Consolidated Financial Statements**”, respectively).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the Company’s subsidiaries during the Year were (i) trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery; and (ii) property development. Details of the principal activities of the subsidiaries are set out in note 36 to the Consolidated Financial Statements.

SEGMENT INFORMATION

Details of the segment information of the Group for the Year are set out in note 7 to the Consolidated Financial Statements.

BUSINESS REVIEW

A review of the business of the Group during the Year, the principal risks and uncertainties that the Group may be facing, and a discussion on the Group’s future development are set out in the Chairman’s Statement on page 3 and the Management Discussion and Analysis on pages 4 to 7 of this annual report. An analysis of the Group’s performance during the Year using financial key performance indicators is set out in the Five-Year Financial Summary on pages 161 and 162 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year and up to the date of this report, as far as the board of Directors (the “**Board**”) and management are aware, there was no material breach of or non-compliance with any applicable laws and regulations by the Group that has a significant impact on the businesses and operations of the Group.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. Employees are provided with a fair and safe workplace where they can maintain a healthy work-life balance, remunerated equitably and competitively, and provided with continuing training and development opportunities to equip them to deliver their best performance and achieve corporate goals. The Group has devoted effort to build up customers’ trust in its services and products by listening to their views and opinions, and maintaining high product quality. The Group has maintained good working relationships with suppliers to meet customers’ needs in an effective and efficient manner.

During the Year, there was no material and significant dispute between the Group and its employees, customers and suppliers.

12 REPORT OF THE DIRECTORS

ENVIRONMENTAL POLICIES AND PERFORMANCE

Details of the Company's environmental policies and performance are set out in the Environmental, Social and Governance Report on pages 33 to 72 of this annual report.

RESULTS AND DIVIDENDS

The financial performance of the Group for the Year and the financial position of the Group as at 31 December 2025 are set out in the Consolidated Financial Statements on pages 78 to 160 of this annual report.

The Board has resolved not to recommend the payment of any dividend for the Year (2024: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Group during the Year are set out in note 18 to the Consolidated Financial Statements.

SHARE CAPITAL

Details of the movements in the Company's share capital during the Year are set out in note 32 to the Consolidated Financial Statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "**Articles**") or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares of the Company (the "**Shares**") on a pro rata basis to the existing shareholders of the Company (the "**Shareholders**").

TAX RELIEF

The Company is not aware of any relief from taxation available to the Shareholders by reason of their holding of the Shares.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Year, the Company did not redeem any of its own listed securities, and neither the Company nor any of its subsidiaries had purchased or sold any of such securities (including treasury shares which the Company did not hold).

RESERVES

Details of the movements in the reserves of the Company and of the Group during the Year are set out in note 33 to the Consolidated Financial Statements and the consolidated statement of changes in equity on page 81 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company did not have a reserve available for distribution. Under the Companies Law of the Cayman Islands, the share premium account of the Company amounting to approximately HK\$346.8 million as at 31 December 2025, is distributable to the Shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus Shares.

MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the sales attributable to the Group's five largest customers was approximately 26.2% with the largest customer accounted for approximately 7.1%; the purchase attributable to the Group's five largest suppliers was approximately 37.7% with the largest supplier accounted for approximately 13.1%.

Neither the Directors or any of their close associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**" and the "**Listing Rules**", respectively), nor any Shareholders (which/who to the best knowledge of the Directors owned more than 5% of the number of the issued Shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the Year.

DIRECTORS

The Directors during the Year and up to the date of this report were as follows:

Executive Directors

Mr. Kwok Ying Shing (*Chairman*)

Mr. Yu Huiming (*Executive President*) (*appointed on 18 July 2025*)

Mr. Zheng Wei (*Chief Executive Officer*) (*resigned on 18 July 2025*)

Ms. Lee Kin Ping Gigi

Independent Non-Executive Directors (the "INEDs")

Mr. Xu Xiaowu

Mr. Li Yongjun

Mr. Diao Yingfeng

In accordance with articles 108 and 112 of the Articles, Mr. Yu Huiming, Mr. Li Yongjun and Mr. Diao Yingfeng shall retire from office and, being eligible, offer themselves for re-election as Directors at the forthcoming annual general meeting of the Company (the "**AGM**").

INDEPENDENCE OF INEDs

The Company has received a written confirmation from each of its current INEDs in respect of their independence during the Year and up to the date of this report pursuant to Rule 3.13 of the Listing Rules and all of them are still being considered to be independent.

14 REPORT OF THE DIRECTORS

DIRECTORS' SERVICE AGREEMENTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years, which will continue thereafter until terminated by either party thereto giving to the other party not less than one month's prior notice in writing.

Each of the INEDs has entered into a letter of appointment with the Company for a term of three years unless terminated by either party by giving not less than one month's written notice to the other party. The renewal letters of appointment of Mr. Xu Xiaowu and Mr. Li Yongjun commenced on 4 November 2024 and the renewal letter of appointment of Mr. Diao Yingfeng commenced on 6 December 2024.

Each of the Directors is subject to the provisions for retirement by rotation and re-election at the AGM in accordance with the Articles.

Save as disclosed above, none of the Directors who are proposed for re-election at the forthcoming AGM has a service agreement or a letter of appointment with the Company, which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The fees of the Directors are subject to Shareholders' approval at general meetings of the Company. The remuneration committee of the Board (the "**Remuneration Committee**") has the delegated responsibility to determine the specific remuneration packages of all executive Directors and make recommendations to the Board on the remuneration of non-executive Directors. The Remuneration Committee considers factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and employment conditions elsewhere in the Group. The INEDs' remuneration is determined by the Board. The Board makes reference to the Directors' duties, responsibilities and performance and the results of the Group. Details of the Directors' remuneration are set out in note 17 to the Consolidated Financial Statements.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, the Directors 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 by reason of any act done, concurred in or omitted in or about the execution of their duty in relation thereto.

During the Year and up to the date of this report, the Company maintained liability insurance for the Directors and senior management to protect them from any loss to which they might be liable arising from their actual or alleged misconduct. A permitted indemnity provision as defined in the Companies Ordinance, Chapter 622 of the Laws of Hong Kong was in force for indemnity liabilities incurred by the Directors to a third party.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

None of the Directors nor any of their respective connected entities had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or any of its holding company, subsidiaries or fellow subsidiaries was a party during or at the end of the Year.

CONTRACT OF SIGNIFICANCE

The Company did not enter into any contract of significance with its controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries during the Year.

MANAGEMENT CONTRACTS

Save as the executive Directors' service agreements disclosed in this report, no other contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or in existence during the Year.

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

As at 31 December 2025, none of the Directors or the chief executive of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")), which were required to be: (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, recorded in the register referred therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules notified to the Company and the Stock Exchange.

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

As at 31 December 2025, so far as is known to the Directors, the following entities or persons other than the Directors and the chief executive of the Company had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

Long position in the Shares

Name of Shareholders	Capacity/Nature of interests	Number of Shares interested/held	Approximate percentage of the Company's issued Shares (Note 1)
Mighty Empire Group Limited ("Mighty Empire")	Beneficial owner and a concert party to an agreement	600,020,000 (Note 4)	56.60%
Kaisa Group Holdings Limited ("Kaisa Group")	Interest of a controlled corporation	600,020,000 (Notes 2 and 4)	56.60%
Excel Range Investments Limited ("Excel Range")	Beneficial owner and a concert party to an agreement	600,020,000 (Notes 3 and 4)	56.60%
KS Holdings 2 Limited ("KS Holdings")	Interest of a controlled corporation and trustee	275,600,000 (Note 3)	56.60%
Ms. Kwok Hiu Ting ("Ms. Kwok HT")	Founder of a trust	600,020,000 (Notes 3 and 4)	56.60%
Ms. Kwok Hiu Yan ("Ms. Kwok HY")	Founder of a trust	600,020,000 (Notes 3 and 4)	56.60%
Ms. Kwok Ho Lai ("Ms. Kwok HL")	Founder of a trust	600,020,000 (Notes 3 and 4)	56.60%
Mr. Chan Mo	Beneficial owner	130,000,000	12.26%

Notes:

1. The percentage represents the total number of the Shares interested divided by the number of issued Shares of 1,060,000,000 as at 31 December 2025.
2. 324,420,000 Shares, representing approximately 30.60% of the issued Shares, were held by Mighty Empire which is wholly and beneficially owned by Kaisa Group. Therefore, Kaisa Group is deemed to be interested in the same parcel of Shares held by Mighty Empire under the SFO.
3. Excel Range holds 275,600,000 Shares, representing approximately 26.00% of the issued Shares. Excel Range is wholly owned by KS Holdings. KS Holdings, which is the trustee of 275,600,000 Shares under a discretionary trust of which Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL are the founders. Under the SFO, each of KS Holdings, Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL is deemed to be interested in the Shares held by Excel Range.
4. On 28 April 2021, Excel Range entered into a deed of undertaking in favour of Mighty Empire (the “**Acting in Concert Undertaking**”), pursuant to which Excel Range irrevocably and unconditionally undertook to Mighty Empire, among other things, that it will act in concert with Mighty Empire with respect to the Company. The Acting in Concert Undertaking took effect on 29 April 2021. By virtue of the SFO, Mighty Empire, Kaisa Group, Excel Range, KS Holdings, Ms. Kwok HT, Ms. Kwok HY and Ms. Kwok HL were deemed to be interested in the respective Shares held by Mighty Empire and Excel Range, which are 600,020,000 Shares in aggregate, representing approximately 56.6% of the total number of Shares in issue.

Save as disclosed above, as at 31 December 2025, as far as is known by or otherwise notified to the Directors, no other entity or person (other than a Director or the chief executive of the Company) had interests or short positions in the Shares and underlying Shares as required to be recorded in the register to be kept by the Company under section 336 of the SFO.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Year was the Company or any of its holding companies or subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of the shares or debentures of the Company or any other body corporate.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

No contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at 31 December 2025 or at any time during the Year ended that date.

SHARE OPTION SCHEME

At the extraordinary general meeting held on 30 July 2015, the Company adopted a new share option scheme (the “**Share Option Scheme**”) to replace the old share option scheme adopted on 25 June 2010 (the “**Old Scheme**”) for the purpose of providing an incentive and/or a reward to eligible participants for their contribution to, and continuing efforts to promote the interest of, the Group. The eligible participants include (a) full-time or part-time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sub-licensee) or distributors, landlords or tenants (including any sub-tenants) of the Group; and (c) any person who, in the sole discretion of the Board, has contributed or may contribute to the Group. Further details of the Share Option Scheme are set out below:

- a. **Maximum entitlement of each participant**
No share option shall be granted to any eligible participant if any further grant of options would result in the Shares issued and to be issued upon exercise of all share options granted and to be granted to such person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including such further grant would exceed 1% of the total number of Shares in issue with the substantial shareholders (as defined in the Listing Rules) of the Company, the INEDs and their respective associates (as defined in the Listing Rules) being subject to 0.1% of the number of Shares in issue;
- b. **Exercise period of share options**
A share option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board, which shall not be later than 10 years from the date of grant but subject to the provisions for early termination as contained in the Share Option Scheme. There is no specified minimum period for which a share option must be held or the performance target which must be achieved before a share option can be exercised;
- c. **Vesting period of share options**
There is no requirement for any vesting period of the share options granted under the Share Option Scheme; However, the Company will comply with Rule 17.03F of the Listing Rules to the effect that the vesting period for the share options granted under the Share Option Scheme shall not be less than 12 months;
- d. **Amount payable and payment period for acceptance of share options**
A share option may be accepted by an eligible participant not later than 21 days from the date of grant. Upon acceptance of the share option, a consideration of HK\$10.00 shall be paid by the grantee to the Company;
- e. **Basis of determining the exercise price of share options**
The subscription price shall be determined by the Board, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share; and
- f. **Remaining life of the Share Option Scheme**
The Share Option Scheme expired on 30 July 2025.

As at 31 December 2025 and the date of this report, there were no outstanding share options granted under the Old Scheme.

No share option has been granted under the Share Option Scheme since its adoption and therefore, as at 31 December 2025 and the date of this report, there were no outstanding share options granted under the Share Option Scheme and no share option was granted, exercised and cancelled or lapsed during the Year.

As at 1 January 2025, 80,000,000 Shares were available for issue under the Share Option Scheme. As at 31 December 2025, no Shares were available for issue under the Share Option Scheme since it expired on 30 July 2025.

18 REPORT OF THE DIRECTORS

EQUITY-LINKED AGREEMENTS

No equity-linked agreements that (i) will or may result in the Company issuing Shares or (ii) require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the Year or subsisted at the end of the Year.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year and up to the date of this report, none of the Directors or their respective associates (as defined in the Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, at least 25% of the number of the issued Share were held by members of the public during the Year and as at the date of this report as required under the Listing Rules.

CORPORATE GOVERNANCE

Full details of the Company's principal corporate governance practices are set out in the Corporate Governance Report on pages 19 to 32 of this annual report.

SUBSEQUENT EVENT AFTER THE REPORTING PERIOD

The Group did not have any other material subsequent event after the Year and up to the date of this annual report.

INDEPENDENT AUDITOR

The Company had appointed Grant Thornton Hong Kong Limited ("**Grant Thornton**") as its independent auditor (the "**Independent Auditor**") with effect from 23 December 2019 to fill the casual vacancy following the resignation of BDO Limited, and the re-appointment of Grant Thornton as the Independent Auditor was approved by the Shareholders at the AGM held on 22 May 2020.

Grant Thornton resigned as the Independent Auditor and the Company appointed Baker Tilly Hong Kong Limited ("**Baker Tilly**") as the Independent Auditor with effect from 7 November 2022 to fill the casual vacancy following the resignation of Grant Thornton. The Board has taken the recommendation of its audit committee that a resolution will be proposed at the forthcoming AGM to re-appoint Baker Tilly as the Independent Auditor until the conclusion of the next AGM and to authorise the Board to fix its remuneration.

The Consolidated Financial Statements have been audited by Baker Tilly.

BY ORDER OF THE BOARD

Kwok Ying Shing
Chairman

Hong Kong, 26 March 2026

CORPORATE GOVERNANCE PRACTICES

The Company believes that good corporate governance will not only improve management accountability and investor confidence, but will also lay a good foundation for the long-term development of the Company. Therefore, the Company has been developing and implementing effective corporate governance practices and procedures.

During the year ended 31 December 2025 (the “**Year**”), the Company applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”, the “**Listing Rules**” and the “**CG Code**”, respectively).

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in the Listing Rules (the “**Model Code**”) as its own code of conduct regarding securities transactions by the directors of the Company (the “**Directors**”). Having been made specific enquiries by the Company, all Directors confirmed that they had complied with the required standard set out in the Model Code throughout the Year.

THE BOARD OF DIRECTORS

The Board

The board of Directors (the “**Board**”) takes full responsibility for supervising and overseeing all major matters of the Company, including any acquisitions or disposal of businesses, investments, formulating and approving of overall management and operation strategies, reviewing the internal control and risk management systems, reviewing financial performance, considering dividend policies and monitoring the performance of the Group’s senior management (the “**Senior Management**”) and all other functions reserved to the Board under the Company’s articles of association (the “**Articles**”), while the Group’s management (the “**Management**”) is responsible for the daily management and operations of the Company and its subsidiaries (the “**Group**”). The Board may from time to time delegate certain functions to the Management if and when considered appropriate.

The Directors have full access to information of the Group and the Management has an obligation to supply the Directors with adequate information in a timely manner to enable the Directors to perform their responsibilities. The Directors are entitled to seek independent professional advice in appropriate circumstances at the Company’s expense.

Chairman and Executive President

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same person. The chairman of the Board (the “**Chairman**”) is Mr. Kwok Ying Shing and the executive president of the Group (the “**Executive President**”) is Mr. Yu Huiming. Before the appointment of Mr. Yu Huiming as the Executive President on 18 July 2025, Mr. Zheng Wei acted as the Group’s Chief Executive Officer (“**CEO**”) until the above date. The Chairman has been responsible for overseeing the functioning of the Board and in charge of overall affairs of the Group while the CEO was and the Executive President has been responsible for managing operation planning of the Group’s businesses.

Board Composition

Currently, the Board comprises six members with a suitable breadth of background and professional experience from the financial, legal, accounting and commercial sectors.

The Directors who served the Board during the Year and up to the date of this Corporate Governance Report are named as follows:

Executive Directors

Mr. Kwok Ying Shing (*Chairman*)
Mr. Yu Huiming (*Executive President*) (*appointed on 18 July 2025*)
Mr. Zheng Wei (*CEO*) (*resigned on 18 July 2025*)
Ms. Lee Kin Ping Gigi

Independent Non-executive Directors (the “INEDs”)

Mr. Xu Xiaowu
Mr. Li Yongjun
Mr. Diao Yingfeng

There is no relationship, including financial, business, family or other material/relevant relationships among the Board members.

The brief biographical details of the Directors are set out in the “Biographical Details of Directors” on pages 8 to 10 of this annual report. The updated list of Directors comprising the executive Directors and the INEDs, and their role and function have been published on the respective websites of the Stock Exchange and the Company.

The Chairman, being an executive Director at least annually holds one meeting with the INEDs without the presence of other executive Directors.

In compliance with code provision C.1.7 of Part 2 of the CG Code, the Company has maintained appropriate and sufficient insurance coverage on Directors’ liabilities in respect of legal actions taken against Directors arising out of corporate activities.

Appointment and Re-election of Directors

The Board is empowered under the Articles to appoint any person, as a Director, either to fill a casual vacancy or as an additional member of the Board. The Company has set up a Nomination Committee for formulating a nomination policy for consideration of the Board and making recommendations to the Board on the selection, appointment and re-appointment of Directors. In accordance with the Articles, any Director newly appointed shall hold office only until the next following annual general meeting of the Company (the “AGM”) and shall be eligible for re-election. Furthermore, nearest one-third of the Directors, including those appointed for a specific term, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. Retiring Directors shall be eligible for re-election at the AGM.

The term of office of all Directors is three years, subject to retirement by rotation, whichever is the earlier. Each of the Directors is appointed by a service contract or a letter of appointment setting out the key terms and conditions of his/her appointment.

Directors' Training and Professional Development

During the Year, the Company had provided materials for the Directors and senior executives to develop and refresh the Directors' knowledge and skills with an emphasis on the roles, functions and duties of a director of a listed company. To ensure Directors' compliance with the Listing Rules and strengthen the Directors' awareness of good corporate governance, the Company continuously updates Directors on the latest developments of the Listing Rules and other applicable regulatory requirements by issuing to them circulars, guidance notes and reading materials.

The Company has arranged induction training for Mr. Yu Huiming, the newly appointed Director during the Year. Mr. Yu has confirmed that he had obtained legal advice on 18 July 2025 regarding his responsibilities and obligations as a director under Hong Kong law prior to his appointment, and he understood his obligations as a director of a listed issuer.

During the Year, the Directors participated in the following training according to their records provided to the Company:

Directors	Types of training
<i>Executive Directors</i>	
Mr. Kwok Ying Shing	B, C
Mr. Yu Huiming (<i>appointed on 18 July 2025</i>)	B, C
Mr. Zheng Wei (<i>resigned on 18 July 2025</i>)	B, C
Ms. Lee Kin Ping Gigi	B, C
<i>INEDs</i>	
Mr. Xu Xiaowu	A, B, C
Mr. Li Yongjun	B, C
Mr. Diao Yingfeng	B, C

A: giving professional talks at seminars/webinars and/or conferences and/or forums

B: attending training/seminars/webinars/in-house briefings arranged by the Company or external professional parties

C: reading material relevant to the Company's business, regulatory updates, corporate governance issues, directors' duties and responsibilities, etc.

INEDs

The Company has entered into a letter of appointment with each of the existing INEDs for a term of three years, which can be terminated by either party by giving not less than one month's written notice to the other party. The renewal letter of appointment of each of Mr. Xu Xiaowu and Mr. Li Yongjun commenced on 4 November 2024 while that of Mr. Diao Yingfeng commenced on 6 December 2024.

Each of the INEDs has confirmed in writing that he had complied with the independence requirements set out in rule 3.13 of the Listing Rules. The Board considers that all INEDs are independent under these independence requirements.

BOARD INDEPENDENCE

The Company recognises that Board independence is pivotal to good corporate governance and Board effectiveness. The Board has established mechanisms to ensure that independent views and input from any Director are conveyed to the Board for enhancing an objective and effective decision making.

The governance framework and the following mechanisms are reviewed annually by the Board to ensure their effectiveness:

1. The Nomination Committee will assess the independence, qualification and time commitment of a candidate who is nominated to be a new INED before appointment and also the continued independence of existing INEDs and their time commitments annually. On an annual basis, all INEDs are required to confirm in writing their compliance of independence requirements pursuant to Rule 3.13 of the Listing Rules, and to disclose the number and nature of offices held by them in public companies or organisations and other significant commitments.
2. The Nomination Committee will conduct the performance evaluation of the INEDs annually to assess their contributions.
3. External independent professional advice is available as and when required by individual Directors.
4. All Directors are given an opportunity to include matters in the agenda for Board meetings.
5. All Directors are encouraged to express freely their independent views and constructive challenges during the Board meetings.
6. A Director (including an INED) who has a material interest in a matter shall not vote or be counted in the quorum on any Board resolution approving the same. Further, the matter should be dealt with by a physical Board meeting rather than a written resolution of the Directors. INEDs who, and whose close associates (as defined in the Listing Rules), have no material interest in the matter should be present at that Board meeting to express their views and input on the matter.
7. The Chairman (who is presently an executive Director) meets with INEDs annually without the presence of other executive Directors.

BOARD COMMITTEES

The Board has established three Board committees, namely the audit committee (the “**Audit Committee**”), the remuneration committee (the “**Remuneration Committee**”), the nomination committee (the “**Nomination Committee**”) (together, the “**Board Committees**”), for overseeing particular aspects of the Board and the Company’s affairs. The Board has delegated to the Board Committees various responsibilities as set out in their respective terms of reference which are published on the respective websites of the Stock Exchange and the Company. The Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company’s expense.

Audit Committee

Currently, the members of the Audit Committee comprises three INEDs, namely Mr. Xu Xiaowu (chairman of the Audit Committee), Mr. Li Yongjun and Mr. Diao Yingfeng.

The Audit Committee is primarily responsible for (i) reviewing the financial statements and reports and considering any significant or unusual items raised by the financial officers of the Group or external auditor before submission to the Board; (ii) reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process; (iii) making recommendation to the Board on the appointment, reappointment and removal of external auditor; (iv) reviewing the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system.

During the Year, two meetings of the Audit Committee were held regarding the review of (i) the Group's draft annual audited financial statements for the year ended 31 December 2024 with the independent auditor; (ii) the draft unaudited interim financial statements for the six months ended 30 June 2025, including the accounting principles and accounting standards adopted with recommendations made to the Board for approval; (iii) the changes in accounting standards and the assessment of their potential impacts on the Group's financial statements; and (iv) the Company's financial reporting system, internal control system and risk management system and related matters.

On 26 March 2026, the Audit Committee has reviewed with the Management and the independent auditor the draft annual results of the Group for the Year, including the accounting principles and practices adopted by the Group and discussed the auditing, risk management and internal control as well as financial reporting matters.

Remuneration Committee

Currently, the Remuneration Committee is chaired by Mr. Li Yongjun, an INED, and other members are Mr. Kwok Ying Shing, the Chairman and an executive Director, and Mr. Diao Yingfeng, an INED.

The Remuneration Committee is primarily responsible for (i) making recommendations to the Board on the Company's policy and structuring for all remuneration of the Directors and the Senior Management and establishing the formal and transparent procedures for developing such remuneration; (ii) determining the specific remuneration packages of all executive Directors and Senior Management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and making recommendations to the Board of the remuneration of non-executive Directors. In determining the specific remuneration packages of the Directors and the Senior Management, the Remuneration Committee would consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and employment conditions elsewhere in the Group; and (iii) reviewing and approving the remuneration of the Directors and the Senior Management by reference to corporate goals and objectives resolved by the Board from time to time. Details of Directors' and Chief Executive Officer's emoluments are set out in note 17 to the consolidated financial statements of the Group for the Year (the "**Consolidated Financial Statements**").

During the Year, a meeting of the Remuneration Committee was held regarding (i) the determination of the remuneration packages of the executive Directors and the Executive President; and (ii) the review of the terms of reference of the Remuneration Committee and its effectiveness.

Nomination Committee

Currently, the Nomination Committee is chaired by Mr. Kwok Ying Shing, the Chairman and an executive Director and other members are Ms. Lee Kin Ping Gigi, an executive Director, as well as Mr. Xu Xiaowu, Mr. Li Yongjun and Mr. Diao Yingfeng, all being INEDs. With effect from 27 June 2025, Ms. Lee Kin Ping Gigi and Mr. Diao Yingfeng have been appointed as additional members and the terms of reference of the Nomination Committee have been revised to the effect that the Nomination Committee shall consist of at least one member of a different gender.

The Nomination Committee is primary responsible for (i) reviewing the structure, size and composition (including the skills, knowledge, experience and diversity of perspectives) of the Board annually and making recommendations to the Board with regard to any changes; (ii) reviewing the policy on Board diversity (the **"Board Diversity Policy"**) and the measurable objectives for implementing such policy from time to time adopted by the Board, and reviewing and monitoring the progress on achieving these objectives; (iii) developing and reviewing the policy for the nomination of Directors (the **"Nomination Policy"**); (iv) identifying and nominating qualified individuals for appointment as additional Directors or to fill vacancies of the Board as and when they arise; (v) making recommendations to the Board on appointment, re-appointment, re-election or re-designation of Directors and succession planning for Directors, in particular the Chairman and the CEO; and (vi) assessing the independence of the INEDs. Assisting the Board in maintaining a board skills matrix and supporting the Company's regular evaluation of the Board's performance have been added to the terms of reference of the Nomination Committee as the Nomination Committee's duties with effect from 27 June 2025. Full terms of reference of the Nomination Committee are available on the respective websites of the Stock Exchange and the Company.

During the Year, a meeting of the Nomination Committee was held to (i) review the structure, size and composition of the Board; (ii) recommend to the Board the re-election of the retiring Directors at the 2025 AGM; (iii) review the terms of reference of the Nomination Committee and its effectiveness; (iv) assess the independence of the INEDs; and (v) review the Nomination Policy and the Board Diversity Policy and the measurable objectives for implementing the latter policy.

Board Diversity Policy

The Board has adopted the Board Diversity Policy and measurable objectives which are set for the purpose of implementing the policy with effect from 30 August 2013.

Summary of the Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board Diversity Policy aims to set out the approach to achieve diversity on the Board. In designing the Board's composition, Board diversity has been considered from a number of aspects, including skills, experience, knowledge, expertise, culture, independence, age and gender. All Board appointments will be based on merit while taking diversity into account (including gender diversity).

Measurable Objectives

The measurable objectives for the purpose of implementation of the Board Diversity Policy include the Director's independence, educational background, professional qualifications and years of experience in the industry that a Director is specialised in.

For the Year, the Company maintained an effective Board comprising members of different genders, professional background and industry experience. The Company's Board Diversity Policy has consistently been implemented. As at the date of this annual report, the Board consists of one female and five male Directors. The Board considers that the gender diversity in respect of the Board taking into account the business model and specific needs of the Company is satisfactory. Currently, the male to female ratio in the workforce of the Group, including senior management is approximately 4:1, which is in line with the industry of the Group's business. The Board considers that the gender diversity in its workforce is currently achieved.

The Nomination Committee will review the Board Diversity Policy to ensure its effectiveness and report annually, in this Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the policy.

Nomination Policy

The Nomination Committee has adopted the Nomination Policy with effect from 24 December 2019.

The Nomination Policy aims to set out the nomination procedures and the process and criteria to guide the Nomination Committee to select and recommend candidates for directorship.

In assessing the suitability of a proposed candidate, the following criteria (the "**Nomination Criteria**") would be used as reference by the Nomination Committee, including but not limited to:

- (a) Character and integrity;
- (b) Qualifications, including professional qualifications, skills, knowledge and experience that are relevant to the Company's businesses and corporate strategy;
- (c) Willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
- (d) Requirement for the Board to have independent Directors in accordance with the Listing Rules and whether the candidates would be considered independent by reference to the independence guidelines set out in the Listing Rules;
- (e) Board Diversity Policy and any measurable objectives adopted by the Board for achieving diversity on the Board; and
- (f) Such other perspectives appropriate to the Company's businesses.

For appointment of a new Director, the Nomination Committee shall evaluate the proposed candidate based on the Nomination Criteria, and make recommendations for the Board's consideration and approval. For re-election of Director at the AGM, the Nomination Committee shall review the overall contribution and service to the Company of the retiring Director and also review and determine whether he/she continues to meet the Nomination Criteria. The Nomination Committee and/or the Board shall then make recommendation to the shareholders of the Company (the "**Shareholders**") in respect of the proposed re-election of Director at the AGM.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions set out in code provision A.2 of Part 2 of the CG Code.

The Board has reviewed the Company's (i) corporate governance policies and practices, training and continuous professional development of the Directors and the Senior Management; (ii) policies and practices on compliance with legal and regulatory requirements; and (iii) compliance with the CG Code and disclosures in this Corporate Governance Report.

ATTENDANCE RECORD OF DIRECTORS AND BOARD COMMITTEE MEMBERS

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and the accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The Company's company secretary (the "Company Secretary") is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

During the Year, the Board held four regular Board meetings and the Directors attended the same in person or participated therein through electronic means of communication.

The attendance record of each Director at the Board meetings, the Board Committees' meetings and the AGM held during the Year is set out below:

Directors	Board Meeting(s) Attended/ Eligible to attend	Nomination Committee Meeting Attended/ Eligible to attend	Remuneration Committee Meeting Attended/ Eligible to attend	Audit Committee Meeting(s) Attended/ attend	2025 AGM Attended/ Eligible to attend
<i>Executive Directors</i>					
Mr. Kwok Ying Shing	4/4	1/1	1/1	–	1/1
Mr. Yu Huiming (appointed on 18 July 2025)	1/1	–	–	–	–
Mr. Zheng Wei (resigned on 18 July 2025)	3/3	–	–	–	1/1
Ms. Lee Kin Ping Gigi	4/4	–*	–	–	1/1
<i>INEDs</i>					
Mr. Xu Xiaowu	4/4	1/1	–	2/2	1/1
Mr. Li Yongjun	4/4	1/1	1/1	2/2	1/1
Mr. Diao Yingfeng	4/4	–*	1/1	2/2	1/1

* Each of Ms. Lee Kin Ping and Mr. Diao Yingfeng was appointed as an additional member of the Nomination Committee with effect from 27 June 2025.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in Note 17 to the Consolidated Financial Statements.

INDEPENDENT AUDITOR'S REMUNERATION

For the Year, the total fee paid/payable to the independent auditor of the Company in respect of audit and non-audit services is set as below:

	HK\$'000
Audit services	830
Non-audit services in respect of interim review of financial results and other services	120

DIRECTORS' AND AUDITOR'S RESPONSIBILITY ON THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the Year, and confirm that the financial statements give a true and fair view of the results of the Company and the Group for the Year and are prepared in accordance with the applicable statutory requirements and accounting standards.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Directors continue to adopt the going concern approach in preparing the financial statements.

The statement of Baker Tilly Hong Kong Limited, the external auditor of the Company, about their responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 73 to 77 of this annual report.

COMPANY SECRETARY

Ms. Poon Yuk Ching Ada ("**Ms. Poon**") has been appointed as the Company Secretary since 16 October 2019. All Directors have access to the advice and services of Ms. Poon who is responsible for ensuring that the correct Board procedures are followed and the Board is advised on all corporate governance matters. Ms. Poon has confirmed that during the Year, she had undertaken over 15 hours of professional training to update her skills and knowledge pursuant to rule 3.29 of the Listing Rules.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for assessing and determining the nature and extent of the risks that the Group is willing to accept in reaching its strategic objectives and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The Board has supervised the management's design, implementation and monitoring of risk management and internal control systems. The Board has confirmed that it will continue to monitor the systems and ensure that the effectiveness of the risk management and internal control systems of the Company and its principal subsidiaries, covering all material controls, including financial, operational and compliance monitoring, will be reviewed at least once a year under the leadership of the Audit Committee.

A. Risk Management and Internal Control Systems Review

To review the effectiveness of the risk management and internal control systems of the Group and to resolve (if any) material internal control defects of the Group for the Year, the Company adopted an Enterprise Risk Management – Integrated Framework (2004) issued by the Committee of Sponsoring Organizations of The Treadway Commission (the “**COSO ERM**”) to perform the risk assessment (the “**Review**”) on the Group for the Year. The Review was designed to enhance the risk management of the Group through a holistic and integrated framework so that all material risks faced by the Group were identified and appropriately managed to:

- (i) promote consistent risk identification, measurement, reporting and mitigation;
- (ii) set a common risk language to avoid any conflicting terminology or confusion in risk reporting;
- (iii) develop and communicate policies on risk management and controls aligned with the business strategy; and
- (iv) enhance reporting to provide transparency of risks across the Group.

During the Review, the Company conducted the following procedures:

- follow-up review on previous findings on risks;
- interviewing with the Management and relevant staff to identify the risks over the Group's business operations and governance practice;
- quantifying the risks by financial data and market searches;
- identifying current issues and potential risks in the Group's business operations and governance practice for improvement; and
- prioritizing the identified risks as high, medium and low risks.

The Company will perform an ongoing assessment to update the entity-level risk factors and report to the Board on a regular basis.

However, risk management and internal control systems are designed to manage rather than eliminate the risk of failing to reach a business goal, and to make reasonable, not absolute, warranties of no significant misrepresentation or loss.

B. Group Risk Report

In the Year, the Company conducted an annual Group-wide review based on the COSO ERM to assess the risks relevant to the existing businesses of the Group and prepared the Group Risk Report which was compiled to cover: (i) the top risks of the Group; and (ii) associated action plans and controls designed to mitigate the top risks, where applicable, at appropriate levels.

C. Dissemination of Inside Information

The Company adopted the standards set out in the Model Code for governing Directors' securities transactions and has received confirmations from all current Directors that they had complied with the Model Code throughout the Year or from the effective date of his appointment to 31 December 2025 (as the case may be). Set out below is the Company's procedures and internal controls for handling and distributing inside information:

- The Company acknowledges its obligations under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") and the Listing Rules. The first principle is that the information should be promptly published when the Company is aware of and/or when the related decision is made, unless such inside information falls under the Safe Harbour Provisions under the SFO;
- In dealing with the matters, the Company adheres to the Guidelines on Disclosure of Inside Information promulgated by the Securities and Futures Commission in Hong Kong in June 2012;
- Unauthorized use of confidential or inside information has been expressly prohibited in the internal system; and
- Employees or Directors possessing such inside information should report the same to the Executive Director(s) who will in turn report to the Board. The Board will then discuss and handle the relevant disclosures or dissemination of inside information accordingly.

D. Internal Audit Function

The Group does not have a formal internal audit function but retains an independent professional risk management and internal control consultant to conduct the risk management and internal control review annually. The Board is of the view that in light of the scale and complexity of the business of the Group, it would be more cost effective to appoint an external professional consultant to perform the Group's internal audit function in order to meet its needs. It will continue to review on an annual basis the need for an internal audit function.

During the Year, the Company engaged an external independent consultant as an internal control advisor ("**IC Advisor**") to perform internal audit function for the Group. The IC Advisor reported to the Audit Committee and the Management. Based on the Company's risk assessment results, the IC Advisor recommended a three-year internal audit plan to the management, which was endorsed by the Board and the Audit Committee. The IC Advisor conducted its internal audit review activities according to the endorsed internal audit plan during the Year. The IC Advisor reported the internal audit findings and recommendations to both the Audit Committee and the Management. The Management agreed on the internal audit findings and adopted the recommendations made by the IC Advisor accordingly.

The Board and the Audit Committee have confirmed that they had reviewed the effectiveness of the risk management and internal control systems of the Group during the Year and considered them to be effective and adequate. The Board will continuously improve and monitor the effectiveness of risk management and internal control systems.

CORPORATE GOVERNANCE ENHANCEMENT

Enhancing corporate governance is not simply a matter of applying and complying with the code provisions of the CG Code but also promoting and developing an ethical and healthy corporate culture. The Company will continue to review and, where appropriate, improve the current practices on the basis of the experience, regulatory changes and developments. Any views and suggestions from the Shareholders to promote and improve the transparency are also welcome.

COMMUNICATION WITH SHAREHOLDERS

The Company has set up a policy for the communication with the Shareholders (the “**Shareholders’ Communication Policy**”). The Board recognises the importance of maintaining a clear, timely and effective communication with the Shareholders and investors. The Board also recognises that effective communication with its investors is critical in establishing investor confidence and attracting new investors. Therefore, the Group is committed to maintaining a high degree of transparency to ensure that the investors and the Shareholders will receive accurate, clear, comprehensive and timely information of the Group through the publication of annual reports, interim reports, announcements and circulars (the “**Corporate Communication(s)**”). The Company also publishes all the Corporate Communications on the Company’s website at <https://kaisa-capital.com> and the Stock Exchange’s website. The Directors and members of various Board Committees will attend general meetings of the Company (the “**General Meetings**”) and answer any questions raised thereat. The chairman of each of the General Meetings would explain the procedures for conducting a poll before proposing a resolution for voting. The poll results will be published on the respective websites of the Stock Exchange and the Company in the manner as required by the Listing Rules.

The Board has reviewed the implementation and effectiveness of the Shareholders’ Communication Policy, including but not limited to (i) timely issue of the Corporate Communications and appropriate disclosure of information therein; (ii) the steps taken at the General Meetings to ensure the opportunities for the Company to have direct interactions with Shareholders, the handling of queries received (if any), and the participation of Board members, in particular, the chairmen of Board Committees or their delegates, and external auditor at the General Meetings; and (iii) the multiple channels of communication and engagement in place, as well as the update of information on the respective websites of the Company and the Stock Exchange in a timely manner. With the above measures in place, the Board considers that the Shareholders’ Communication Policy has been effectively implemented during the Year.

DIVIDEND POLICY

The Company attaches importance to providing reasonable returns for the Shareholders. The dividend policy of the Company maintains continuity and stability and takes into consideration the long-term interests of the Company, the overall interests of all Shareholders and the sustainable development of the Company.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, amongst others, the Company’s ability to pay from accumulated and future earnings, liquidity position and future commitments at the time of declaration/recommending of dividend. The payment of dividend is also subject to any restrictions under the Companies Law of the Cayman Islands and the Articles.

According to the Articles, the Board may pay such interim dividends to the Shareholders as justified by the financial conditions and profits of the Company, and the Company in General Meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board. No dividend shall be payable except out of the profits of the Company.

SHAREHOLDERS' RIGHTS

Procedures for convening an Extraordinary General Meeting by the Shareholders

Pursuant to article 64 of the Articles, any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid up capital of the Company having the right of voting at General Meetings shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting of the Company (the "EGM") to be called by the Board for the transaction of any business specified in such requisition.

Such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/itself/themselves may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for the Shareholders to put their enquiries to the Board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong by post or email to info@kaisa-capital.com.

Shareholders are also encouraged to attend the AGM and the EGM and to put their enquiries to the Board directly. Notices of General Meetings are duly circulated to the Shareholders in order to ensure that each Shareholder is informed to attend the AGM and the EGM. The Chairman, the chairman of each of the Remuneration Committee, the Nomination Committee and the Audit Committee and the Senior Management attend the aforesaid meetings and respond to the Shareholders' proper enquiries in a prompt manner.

Procedures for making proposals at the Shareholders' meetings

To put forward proposals at the AGM or an EGM, the Shareholders should submit a written notice of those proposals with the detail contact information to the Company Secretary at the Company's principal place of business in Hong Kong. The request will be verified by the Company's branch share registrar and transfer office in Hong Kong and upon their confirmation that the request is proper and in order, the Company Secretary will ask the Board to include the proposal in the agenda for the General Meeting.

The notice period to be given to all the Shareholders for consideration of the proposal raised by the Shareholders concerned at the AGM or an EGM varies according to the nature of the meeting, as follows:

- At least 14 days' notice in writing for an EGM
- At least 21 days' notice in writing for an AGM

Procedures for the Shareholders to propose candidates for election as a Director

No person, other than a retiring Director, shall, unless recommended by the Board for election, be eligible for election to the office of Director at any General Meeting, unless notice in writing by Shareholder(s) of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected, including that person's biographical details as required by rule 13.51(2) of the Listing Rules, shall have been lodged with the Company Secretary at the Company's principal place of business in Hong Kong at least 7 days before the date of the General Meeting. The period for lodgment of the notices required under the Articles will commence no earlier than the day after the dispatch of the notice of the General Meeting appointed for such election and end no later than 7 days prior to the date of such General Meeting.

Shareholder's/Investor's Communication

To promote effective communication, the Company maintains a website at <https://kaisa-capital.com>, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted.

Shareholders, investors and the media can make enquiries to the Company through the following means:

Telephone number : (852) 3678-8589
By post : 30/F., The Center, 99 Queen's Road Central, Central, Hong Kong
for the attention of the Board of Directors
By email : info@kaisa-capital.com

Constitutional Documents

There was no change to the Company's memorandum and Articles during the Year.

INTRODUCTION

Kaisa Capital Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to present this Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**”) in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) contained in Appendix C2 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The ESG Reporting Guide has been further upgraded to Environmental, Social and Governance Reporting Code (the “**ESG Reporting Code**”) with effective from 1 January 2025. This ESG Report complied with the “comply or explain” provisions of the ESG Reporting Guide, illustrated and highlighted the environmental and social performance of the Group for the reporting period from 1 January 2025 to 31 December 2025 (the “**Reporting Period**”), which aligns with the financial year as the 2025 annual report of the Group. We are currently under transition process and preparing to upgrade the ESG Report to fully comply with the ESG Reporting Code in next financial year.

The core businesses of the Group are trading of construction machinery and spare parts, leasing of the construction machinery under operating leases, and providing repair and maintenance services in respect of the construction machinery.

The Group believes that environmental protection, low carbon footprint, resource conservation and sustainable development are the key trends in society. It is inevitable that the ESG performance of corporations is one of the key criteria to demonstrate companies’ corporate social responsibility and their sustainability in the future. The Group has been unwaveringly focusing on its ESG management which aiming to control the risks and tackle the challenges concerning corporate sustainable development. By assessing and evaluating ESG related risks and reporting performance, the Group sets the overall strategic goals, supervises management effectiveness, and ensures operational reliance and compliance with the relevant legal and regulatory requirements. Both qualitative information and quantitative data have been collected for this ESG report (the “**Report**”) to demonstrate the Group’s commitment to sustainability and performance.

All information used in this ESG Report are not limited to the internal policies from the Group, the factual evidence of the ESG implementation in the Group, the quantitative data of the Group’s annual performance in business operations and ESG management under the key performance indicators (“**KPIs**”) of the ESG Reporting Guide were gathered through different ways. In order to ensure the completeness and clarity of the ESG Report, the Group referenced the ESG Consultation Conclusions, ESG Disclosure Review, and Global Reporting Initiative Standards (“**GRI Standards**”), a globally accepted reporting instrument to cater to its local and global readership.

REPORTING PRINCIPLES

The ESG Report is prepared according to the “Comply or Explain” provisions and the four Reporting Principles as required by the ESG Reporting Guide:

1. **Materiality:** Based on our continuous communication with stakeholders, the Group has formulated models to analyze environmental and social aspects. Based on our internal materiality analysis, ESG topics that may influence the perspectives of the stakeholders are disclosed.
2. **Quantitative:** ESG data are presented numerically and our ESG performance can be compared against our peers, industry standards and our previous year’s performance. The details of calculation basis are further disclosed in relevant sections of the Report.
3. **Balance:** All information disclosed in the Report shall be unbiased. There will not be any misleading presentation format, selections and omission that may inappropriately influence the decision of a stakeholder.
4. **Consistency:** In order to ensure comparability, all ESG Key Performance Indicator (“**KPI**”) calculation and assumption are consistent with the previous year. Any changes in our methodologies are disclosed clearly to inform the stakeholders.

REPORTING BOUNDARY

This ESG Report covers the work results of the Group at all levels during the Reporting Period, selecting the major operations within the Group according to the operational control approach, i.e. the business of the trading of construction machinery and spare parts, leasing of the construction machinery under operating leases, and providing repair and maintenance services in respect of the construction machinery in Hong Kong, Singapore and the People’s Republic of China (the “**PRC**”).



MESSAGES FROM THE BOARD

The Board assumes ultimate responsibility for ensuring the effectiveness of the implementation of the Group's ESG policies and sustainability reporting matters. Although the Group is facing a challenging environment, the Board considers it is imperative that sustainability forms the backbone of the business to achieve corporate growth. Hence, the Group is dedicated to incorporating the concept of sustainability into every facet of its business, by upholding a well-rounded governance system, establishing strategic directions and hold regular internal and external events to communicate closely with stakeholders. To make sure that the Board can be well-informed of the progress of ESG achievement, the execution of business plans and the obstacles frontline employees faced in the implementation, the management has been entrusted by the Board to coordinate daily ESG issues between different business divisions of the Group.

We are not a Group that only lavishes praise on the passion to embrace sustainable development, but a team of passionate individuals and organisations who are committed to continuing this tradition by setting ambitious targets and putting efforts to achieve them. The external environment of businesses continues to shift in these years, which encourages us to adopt a changing approach that not only focuses on our own dimension, but also commits to respecting our environment and maintaining our social responsibilities to the community.

In response to the growing importance of climate-related disclosures, the Group is committed to aligning with the latest climate disclosure requirements. The Board has the ultimate responsibility for ensuring that the Group complies with these requirements, overseeing the integration of climate-related risks and opportunities into our business strategies.

The Board is responsible for the overall oversight of climate-related disclosures, ensuring that the Group's strategies align with climate goals, and providing guidance on the development of appropriate action plans. On the other hand, management is entrusted with executing these plans, gathering data, and preparing the necessary reports. Management is also responsible for continuous monitoring of climate-related risks and opportunities, as well as ensuring that proper governance structures are in place to address any emerging issues. Both the Board and management work collaboratively to ensure that the Group's climate disclosure is accurate, comprehensive, and in line with global best practices, thus enhancing transparency and demonstrating our commitment to responsible climate stewardship.

To ensure that the Board and management are well-equipped to address climate-related risks and opportunities, the Group arranges regular climate-related training and professional development opportunities including internal training sessions, sharing workshops, and ongoing professional development programs, where internal and external experts will provide insights into the latest climate-related issues, regulatory requirements, and best practices. These training initiatives will be structured to provide the Board and management with the essential skills and competencies to integrate climate considerations into strategic decision-making. In 2025, 6 out of 6 Board members attended one climate-related training sessions.

Furthermore, the Group will develop comprehensive plans to continually assess and build the capacity of its leadership, ensuring that the Board and management remain up-to-date with evolving climate challenges and opportunities. By fostering a culture of continuous learning, the Group aims to strengthen its governance of climate related matters and effectively navigate the complexities of the global climate transition. Processes for climate disclosure are integrated into the Group's existing ESG management framework, which includes the identification of climate-related risks, scenario analysis, and impact assessment. These processes are reviewed and updated on annual basis, with frequent monitoring to track the effectiveness of climate-related initiatives. In 2025, 1 Board meeting was held where climate-related risks and opportunities were discussed.

The Group is dedicated to improve resource integration and minimising energy usage for achieving a more sustainable business operation. Coming forward, we will continue to monitor our ESG data and set up new targets.

STAKEHOLDERS ENGAGEMENT AND MATERIALITY ANALYSIS

Creating value for our stakeholders has always been the core mission of our Group. The Group pays attention to the perspectives and expectations of our stakeholders in order to help us to assess potential impacts of future business activities. The Group strives to maintain open and smooth communication channels for both internal and external stakeholders. Through communications, the Group can understand the concerns of stakeholders and also can integrate such expectations through our ESG practices, with the ultimate purpose of maximising the greater economic output and business value while aligning with the Group's long-term sustainable development goals.



Feedback from our stakeholders were highly valued and variety of channels are listed below for various major concerns from our stakeholders:

Major Stakeholder Engaged		Major Communication Channels	Major Concerns
Internal stakeholders	Shareholders and investor	<ul style="list-style-type: none"> Regular reports Announcements, press release and circulars Annual general meetings Corporate website Investor briefings 	<ul style="list-style-type: none"> Return on investments Profitability and financial stability Information disclosure and transparency Corporate governance Business compliance Risk management
	Employees	<ul style="list-style-type: none"> Performance appraisals Regular meetings and training Focus groups Emails, notices, circulars, hotline and team building activities with management Employee activities 	<ul style="list-style-type: none"> Employees' remuneration and benefits Health and safety working environment Career development and training opportunities Compensation and benefits
External stakeholders	Customers	<ul style="list-style-type: none"> Customers' satisfaction surveys Face-to-face meetings and onsite visits Customer service hotline and emails 	<ul style="list-style-type: none"> Quality products and services Protection of customers' privacy and rights Continuous promotion of reliable products/services to customers Customer satisfaction
	Suppliers	<ul style="list-style-type: none"> Open tender Contracts and agreements Telephone discussions Face-to-face meetings and onsite visits Industry seminars 	<ul style="list-style-type: none"> Fair and open procurement Win-win cooperation Environmental protection Protection of intellectual property
	Professional organisations	<ul style="list-style-type: none"> Telephone discussion Regular meetings and onsite visits Questionnaires and online engagement 	<ul style="list-style-type: none"> Policy formulation regulating the practice of employees and business operations Environmental protection and social responsibility
	General public	<ul style="list-style-type: none"> Media conferences and responses to enquiries Public welfare activities Corporate website Email 	<ul style="list-style-type: none"> Involvement in communities Business ethics Setting out targets and formulating policies in energy conservation and emission control Corporate social responsibilities
	Government and regulatory authorities	<ul style="list-style-type: none"> Supervision on the compliance with local laws and regulations Routine reports and tax payments 	<ul style="list-style-type: none"> Compliance with laws and regulations Anti-corruption policies Occupational health and safety Environmental standards

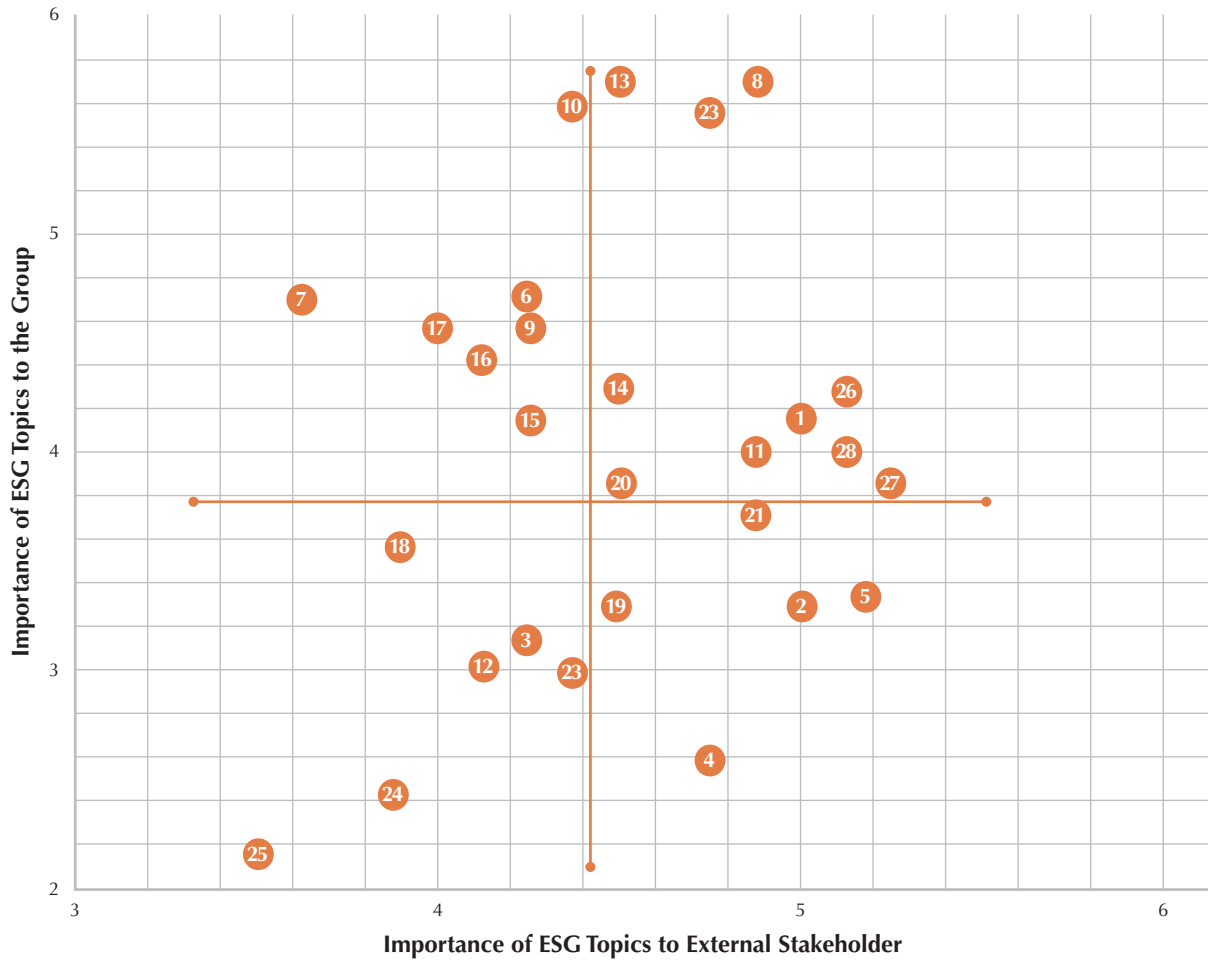
The Group followed a comprehensive process to assess material topics and plan ESG management in order to identify their main concerns and material interest of ESG issues in 2025. The materiality assessment involved four key steps:

1. **Conducted Industry Trend Analysis:** Researched global and regional industry trends to identify potential business risks associated with these developments.
2. **Reviewed Sustainability information:** Examined information published by the Stock Exchange, as well as globally recognized sustainability reporting protocols and guidelines, including the International Sustainability Standards Board (ISSB) Sustainability Disclosure Standards.
3. **Refined Material Topics through Stakeholder Engagement:** Utilised stakeholder engagement processes to refine the list of potential material topics which includes input from both internal and external stakeholders through various channels, including meetings, interviews and electronic surveys which considered necessary. The topics were subsequently ranked based on the feedback received from all channels.
4. **Developed ESG Action Plans:** Formulated action plans based on the outcomes of the materiality assessment to enhance the effectiveness of our Environmental, Social, and Governance (ESG) management strategies.



The chart below briefly shows the results of the assessment:

Materiality Assessment Matrix



Item	ESG Topic	Item	ESG Topic
1.	Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions)	15.	Environmentally preferable products and services
2.	Mitigation measures to protect environment and natural resources	16.	Environmental risks (e.g. pollution) and social risks (e.g. monopoly) of the suppliers
3.	Anti-corruption policies and whistle-blowing procedure	17.	Greenhouse gas emissions
4.	Number of concluded legal cases regarding corrupt practices, e.g. bribery, extortion, fraud and money laundering	18.	Air emissions
5.	Occupational health and safety	19.	Hazardous waste production
6.	Employee development and training	20.	Marketing communications (e.g. advertisement)
7.	Climate change	21.	Customer satisfaction
8.	Customer information and privacy	22.	Energy use (e.g. electricity, gas, fuel)
9.	Selection and monitoring of suppliers	23.	Cultivation of local employment
10.	Preventing child and forced labour	24.	Observing and protecting intellectual property rights
11.	Anti-corruption training provided to directors and staff	25.	Water use
12.	Product and service labelling	26.	Non-hazardous waste production
13.	Product health and safety	27.	Use of materials (e.g. paper, packaging, raw materials)
14.	Diversity and equal opportunity of employees	28.	Community support (e.g. donation, volunteering)

According to the materiality matrix, the issues located at the top right corner are the relatively more important ESG areas. Through the materiality analysis, the Group identified (i) Employee remuneration, benefits and rights (e.g. working hours, rest periods, working conditions); (ii) Mitigation measures to protect environment and natural resources; and (iii) Anti-corruption policies and whistle-blowing procedure. Given the high degree of concerns on the material issues mentioned above, the Group has carefully priced the risks and opportunities behind those matters and elaborated in detail under different sections of this ESG report.

STAKEHOLDERS' FEEDBACK

As the Group strives for excellence, the Group welcomes stakeholders' feedback, especially on topics listed as the highest importance in the materiality assessment. You are welcomed to provide your suggestions or share your views with the Group through any channel below:

Email: info@kaisa-capital.com
 Website: <https://kaisa-capital.com>
 Address: 30/F., The Center, 99 Queen's Road Central, Central, Hong Kong
 Tel: (852) 3678 8589

The following sections provide more information and disclosure about the Group's practices in the areas of the environmental aspects and social aspects, including emissions, use of resources, natural resources, employment and labour practices, good operating practices and our contribution to the community.

A. ENVIRONMENTAL ASPECTS

With the increasing problem of environment degradation and climate change around the globe, the Group pays close attention to the environmental responsibilities and has incorporated sustainable environmental protection measures as part of the business development strategy. The Group is aware of the importance of balancing between environmental protection and economic development, thus, a set of management policies, mechanisms, measures, and guidance on environmental protection are established in order to archive sustainability goals on the Group's development and business operation. To maintain sustainability of the environment and the community where it operates, the Group is currently spending efforts in monitoring and dominating resources consumption and emission. Apart from in-house controlling activities, the Group has adhered to various material compliance environmental laws and regulations in Hong Kong, Singapore and the PRC during its daily operations, including but not limited to the:

- Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護法);
- Water Pollution Prevention and Control Law of the People's Republic of China (中華人民共和國水污染防治法);
- Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes (中華人民共和國固體廢物污染環境防治法); and
- Law of the People's Republic of China on Conserving Energy (中華人民共和國節約能源法).

The Group's policies, practices, and quantitative data on emissions, use of resources, the environment and natural resources are primarily disclosed in the Reporting Period. No fines and or non-monetary sanctions for non-compliance with relevant laws and regulations has been reported in the reporting period.

A.1. Emissions

In 2025, the Group's environmental rules and practice establishes commitments to operate beyond statutory requirements and to raise awareness of the green issues. The Group has strictly followed the relevant laws and regulations regarding to the environmental issues, such as air and greenhouse gas emissions, discharges into water and land, disposal of hazardous and non-hazardous wastes, and noise that bring significant influence on the Group. In furtherance of curtailing its drawback on environmental impact, the Group keeps pursuing innovative solutions by utilising its equipment with low-carbon and green technologies, implementing control mechanism on emissions as well as setting relevant approach and robust environmental system to address emissions. Moreover, the Group has also dedicated to apply internal procedures in environmental protections and raise employees' conscious on emissions reduction. To comply with the requirements of the Hong Kong Climate Action Plan 2050, the Group has set a target to reduce carbon dioxide equivalent emissions by 5% by 2030 with 2025 as the baseline year.

According to Group’s business nature, the environmental impacts of the Group facilities and offices are limited to the air emissions which were mainly generated from fuel combustion for daily transportation as diesel oil and petrol are used to run vehicles, including the generation of sulphur oxides (“SO_x”), nitrogen oxides (“NO_x”) and particulate matter (“PM”). In 2025, the air emissions of “SO_x”, “NO_x” and “PM” amounted to 0.25 kg, 142.82 kg and 13.74 kg, respectively. It is still widely known that climate change, a major environmental issue driven by greenhouse gas emissions that is not only a global agenda but also highly affecting individuals and society from personal health, economy and ecosystems. The core business of the Group does not mainly generate greenhouse gases and air emission. Emissions are usually produced by fuels and petrol consumed for office and workplace use for transportation and electricity. Specifically, the Group emitted a total of 222.20 tonnes of carbon dioxide equivalent (“CO₂e”) (carbon intensity: 2.10 tonnes CO₂e/employee) in 2025, with emissions from Scope 1 accounting for 19.13% approximately, whereas 78.42% came from Scope 2. Other indirect emissions (Scope 3) occupied around 2.45%. In terms of the emission of carbon dioxide equivalent (“CO₂e”) for Scope 3, it results a drop of 12.26% comparing to the carbon emission produced in 2024.

Moreover, GHG emissions from electricity consumption in processing sewage and fresh water by governmental departments were calculated together with the disposed paper waste of at landfills. The Group does not produce any hazardous waste such as, chemical, pesticides and other dicey chemicals. From the principal activities held by the Group, non-hazardous waste generated from the Group’s business operation is generally the administrative consumables from construction sites and office in which does not bring a long vital impact to the environment. In 2025, no hazardous solid waste or sewage produced by the Group. Total emissions of the Group in 2025 and 2024 are summarised in table below.

The Group’s Total Emissions by Category in 2025 and 2024

Emission Category ⁴	Key Performance Indicator (KPI)	Unit	2025		2024		Amount Increase (+) or Decrease (-) in Percentage
			Amount in 2025	Intensity ¹ (Per Employee) in 2025	Amount in 2024	Intensity ¹ (Per Employee) in 2024	
Air Emissions ²	SO _x	kg	0.25	Less than 0.01	0.25	Less than 0.01	-
	NO _x	kg	142.82	1.35	122.84	1.13	+16.27%
	PM	kg	13.74	0.13	11.81	0.11	+16.34%
GHG Emissions	Scope 1 (Direct Emissions)	Tonnes CO ₂ e	42.51	0.40	38.82	0.36	+9.51%
	Scope 2 (Energy Indirect Emissions)	Tonnes CO ₂ e	174.25	1.64	135.30	1.24	+28.79%
	Scope 3 (Other Indirect Emissions) ³	Tonnes CO ₂ e	5.44	0.05	6.20	0.06	-12.26%
	Total (Scope 1, 2 & 3)	Tonnes CO ₂ e	222.20	2.10	180.32	1.65	+23.23%
Non-hazardous Waste	Solid Wastes	Tonnes	3.95	0.04	4.50	0.04	-12.22%
	Water Wastes	m ³	3,250.00	30.66	3,550.00	32.57	-8.45%



Notes:

- 1: *Intensity was calculated by dividing the amount of air, GHG and other emissions by the total workforce of the Group in 2025 and 2024, which was 106 and 109 respectively.*
- 2: *Air emissions included the air pollutants in the exhaust gas from vehicles for transportation and off-road machineries for onsite operations.*
- 3: *In 2025, the Group's Scope 1 includes stationary combustion sources and mobile combustion sources for road, air and water transport. Scope 2 includes Purchased electricity. The increase in these two scopes is mainly due to the growing electricity and transportation demands of the Group.*
- 4: *The methodology adopted for reporting on emissions set out above was based on "How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange.*

GHG is contemplated as one of the major contributions to climate change and global warming. Non-hazardous solid waste, electricity consumption, wastewater generated from office among different business operation places of the Group, such as Hong Kong, Singapore and the PRC were accounted for the majority component of the Group's GHG emissions. Neither hazardous solid waste nor hazardous sewage generated in the Group's operation activities during the Reporting Period under review.

The Group has strived to be more proactive in order to lower the damage led by GHG emission through bringing forward effective policies and measures in the construction projects and offices, and motivated all its employees to change their attitude and habits in favour of improving energy efficiency and diminishing the intervals of energy consumptions. Different environmental friendly initiatives were used by the Group to use less energy in daily business operation, for instance, switching off all lights and air-conditioning when leaving the office, time controlling of on/off for office electrical applicants and updating the Group approach in order to mitigate climate-related risks at source. The Group has implemented internal electricity-saving policies in the workplace and specific measures further described in the next subsection under electricity. The solid waste decreased by 12.22% in 2025 during the Reporting Period. To further control and reduce its solid waste, the Group has tremendously promoted the 'Reduce, Reuse and Recycle' approach with clear guidance among employees in both Hong Kong and Singapore branches with the aims of saving resources and energy. Meanwhile, the Group has concentrated on the following four areas in particular, in order to minimise its waste and raise employees' environmental awareness in both offices and construction sites:

- Transitioning to smart and environmentally-friendly purchasing and design, such as the adoption of more advanced and less wasteful technologies;
- Managing raw materials effectively;
- Energy efficiency is considered when purchase and operate machineries; and
- Strengthening the training to workforces.

In 2025, the Group provides training to all levels of staff to raise their attention in reducing the adoption of disposable items such as plastic tableware and paper utensils. The Group sustains 3Rs principles, referring to Reduce, Reuse and Recycle. For the sake of eliminating the production of solid waste, office stationeries and equipment were highly encouraged to be reused and electronic means of communications were recommended for paper saving initiatives. For the handling method of non-recyclable municipal solid wastes such as paper products, property management worked to collect the disposed waste regularly with proper categorisation. Since metal waste may do harm to the environment without proper handling after being discarded, especially for obsolete metal parts and machinery components which are commonly used in business activities, the handling method for the mentioned metal waste are either stored at certain places for resale to professional third parties for centralised the objective of recycling or reusing in the next production stage if possible. Furthermore, despite that the municipal wastewater is discharged normally into the sewage system of the property building, the Group commits to control the consumption of freshwater and reuses the treated construction wastewater when possible to effectively reduce the amount of wastewater from offices and site offices. It has also implemented energy and water efficiency measures to help promote preservation and conversation of resources, as well as achieving the high water efficiency during operations. Further information regarding water conservation practices in the Group are detailed in the next subsection under Water.

A.2. Use of Resources

In 2025, electricity, petrol, diesel, water, paper and plastic as packaging materials were the main resources consumed by the Group. The table below illustrates the amount of different resources consumed by the Group in 2025 and 2024.

Group's Total Use of Resources by Category in 2025 and 2024

Use of Resources ²	Key Performance Indicator (KPI)	Unit	2025		2024		Amount Increase (+) or Decrease (-) in Percentage
			Amount in 2025	Intensity ¹ (Per Employee)	Amount in 2024	Intensity ¹ (Per Employee)	
Energy	Electricity	kWh	371,405.16	3,503.82	324,774.86	2,979.59	+14.36%
	Petrol	kWh	78,379.79	739.43	94,224.89	864.45	-16.82%
	Diesel	kWh	93,415.98	881.28	78,561.81	720.75	+18.91%
Water	Water	m ³	4,417.80	41.68	4,596.70	42.17	-3.89%
Paper	Office Paper	Tonnes	0.33	0.003	0.48	0.004	-31.25%
Packaging Materials	Metal, Plastic and Paper	kg	2,700.00	25.47	2,400.00	22.02	+12.50%

Notes:

- 1: Intensity was calculated by dividing the amount of consumed resources by the total workforce of the Group in 2025 and 2024, which was 106 and 109, respectively.
- 2: The methodology adopted for reporting on use of resources set out above was based on “How to Prepare an ESG Report? – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange.

Electricity

Electricity is one of the Group’s most consumed resource as it has been widely adopted to support daily business operation. In 2025, the total electricity consumption of the Group and the intensity per employee increased by 14.36% and increased by 17.59% respectively as compared to the figure in 2024. The above phenomenon and sparsity of nature resources, the Group draws attention in working on energy saving and promoting various energy conservation strategies. The Group required all business units of the Group, especially the Singapore branch, strictly follow relevant regulations and the Group’s standards of electricity conservation so to support green initiatives in daily operation and incorporating environmental sustainability. The Group has embedded the concept of ‘Saving Electricity’ into its environmental management system and business strategies, as well as actively adopted different feasible measure and implementation on technical and economic circumstances to work on the aims of lowering the electricity consumption in which beneficial to diminish its GHG emissions. Chiefly of reducing electricity usage, the Group implemented the following practices:

- Turn off all lights, electronics and other equipment at the end of the day;
- Switch off all idle lights and air conditioners (e.g. most electrical devices will be turned off during lunch time);
- Place ‘Save electricity and turn off the light when you leave please’ posters to encourage workers and employees to conserve energy;
- Replace lamps that consume large amounts of electricity with more efficient LED lighting fixture in offices;
- Encourage all employees to open curtains and utilise the natural sunlight for lighting in the office when possible; and
- Avoid over-cooling of workplace by setting the air-conditioners for indoor temperature of 24 degrees Celsius if possible.

Petrol and Diesel

To help support daily business activities, the Group widely consumed petrol and diesel for its vehicles. In 2025, the energy consumption of petrol and diesel amounted to 78,379.79 kWh and 93,415.98 kWh respectively. It leads to a decrease of 16.82% and increase of 18.91% respectively when compared with the figure in 2024. Employees are reminded and encouraged to follow the energy saving measures. The Group will continuously assess the efficiency of resource utilization and evaluate the energy saving initiatives to uphold the core value of environmental protection.

Water

Water is another natural resource which the Group commonly uses for daily operations. The Group has worked hard to reduce wastage of water in previous years and considered water management an important task in the business operations of the Group currently. In 2025, the Group did not face any issues in sourcing water. The total water consumption decreased by approximately 3.89% as compared to the figure in 2024. Although there were no water supply issues encountered, the Group has also shouldered the responsibilities of sustainable development and environmental protection towards the aspect of water resources utilisation. To avoid unnecessary water consumption in daily operations, the Group has fully complied with its policy of water conservation in businesses through instilling the concept of 'Water Footprint' in its employees from all business departments and motivating them to take initiative in nourishing environmental friendly behaviour in saving water. Besides, the Group continued to monitor water consumption level and applied measures to ensure stable use of water resources. For further improvement on utilisation efficiency of water resources, the Group adopted the following practices during the Reporting Period:

- Place posters "Saving Water Resource" in prominent places to encourage water conservation;
- Fix dripping taps immediately and avoid any leakage of the water supply system;
- Strengthen the inspection and maintenance on water tap, water pipelines and water storage;
- Reuse or recycle the wastewater generated during production process if possible.
- Purchase water-saving equipment; and
- always turn taps off tightly to avert dripping and giving priority to effective water-saving products.

Paper

Since the use of paper has been a critical source of carbon emission in society, the Group attached importance on lowering the drawback to the environment, especially the climate change due to imprudent usage of paper material. Paper was mainly consumed by the Group for offices with administrative purpose, such as paper printing, drafting documents. In 2025, the total amount of paper used by the Group was 0.33 tonnes, it was decreased compared with the figure in 2024. The Group will further implement effective control of paper resources and encourage the Group's policy of using electronic copies in every possible means instead of issuing paper materials. Meanwhile, the Group will take measure of paper use seriously by highly advocating the reuse and recycling of waste paper for the Group's operational activities. During the Reporting Period, the Group successfully recycled approximately 17 kg and 2 kg of paper usage in Hong Kong and Singapore respectively. In the future, the Group commits to further reduce the generation of waste paper through the following measures:

- Reuse the paper which has been used on one side only for scrap paper;
- Make two-sided copies;
- Promote the concept of 'paperless office', and disseminate information by electronic means to minimise the number of paper-made files;
- Install recycling bins to collect recyclables, such as paper and plastic waste;

- Put boxes and trays as containers beside photocopiers to collect single-sided paper for reuse; and
- Periodically review the implementation of paper-saving policies in the Group and set targets for the procurement and recycling of paper accordingly.

Packaging Materials

In 2025, the Group consumed approximately 500 kg, 200 kg and 2,000 kg of plastic, paper and metal packaging materials, metal packaging materials where barely change compared with the figure in 2024. There are increases in the consumption of plastic and paper packaging materials compared to the figure in 2024 due to changing of packaging method. The Group is committed to optimising its material management system through estimating, measuring, recording and comparing the quantity of used packaging materials in years on a continuous basis and to monitor the usage of minimum packing size to achieve the objective of reducing overall packaging material consumption.

A.3. The Environment and Natural Resources

The Group believes that environment and natural resources should not be sacrificed due to business development, therefore the Group bears the responsibility in minimizing harm to the environment along with business operations as an ongoing commitment to good corporate citizenship. With the aforementioned measures in different resources aspects, the Group endeavours to improve environmental sustainability and reduce the impacts on the environment and natural resources. The Group remains conscious of its potential influence and provides a complete picture of environmental initiatives, therefore, the Group regularly assesses the environmental risks of its business model, adopts preventive measures to mitigate risks and ensures compliance with relevant laws and regulations to build an eco-friendly workplace culture that engrains green habits and lifestyle among employees. The Group encourages employees to participate in various activities in assisting recycling and environment protection activities to help lower the use of natural resources. Moreover, the Group has introduced a wide range of environmental protection measures in office and construction sites, for example, using electric equipment in an energy saving manner, fully use of paper and encourage staff to avoid wastage of natural resources.

Regarding the top priority of impacts towards Group's business, fuel consumption used for the operations of constructional machineries, which not only have drawn the Group's attention, but also necessitates an urgent action taken by the Group to tackle the problems as it results in air emissions and brings negative influence towards environment. In 2025, the Group continued to phase out old machines and replaced them with new ones that offer greater energy savings. Besides, the Group opts to putting efforts on the optimization of operational system and engines maintenance in order to lower environmental impact and avoid fuel wastage and other negative influence.

Regarding the reliance on petrol and diesel for operations at construction sites, the Group had established a procurement policies as a guidance for maintaining the standards of equipment safety, duration and energy efficiency implemented. As a socially responsible organization, the Group will continuously improve fuel efficiency in operations and move towards lower carbon alternatives by closely monitoring the latest market updates and developments. Moving forward, the Group will spend efforts to fulfil its environmental responsibilities, align its internal sustainability goals with the targets, grasp technological innovations as a positive thrust for the advancement towards sustainability, and take actions as part of our sustainable growth strategy.

A.4. Climate Change

Climate change is mainly caused by the release of CO₂ into the atmosphere, resulting from the use of fossil fuels for energy and electricity generation. Climate change has become one of the global environmental concerns nowadays as it causes a continuous rise in temperature and poses threats on scarcity of raw material. Climate-related issues which may impact our business mostly came from acute physical risks, especially weather-related events such as typhoons and storms that may impact our operation in Hong Kong and Shenzhen. The Group will review the internal policy and procedures related to extreme weather arrangements regularly to reduce the relevant risk.

Identifying and managing the associated opportunities and risks is vital to the Group's business operation. The Group review all top enterprise risks including climate related risks and opportunities, and prioritise the risks and opportunities based on the impact to the Group and the likelihood of occurrence. Magnitude of impact is measured on various aspects, including environmental, supply chain, employee health and safety, and financial, with severity levels ranging from insignificant to substantial. The likelihood of occurrence is assessed on a scale from rare to certain.

In response to transition risks such as stricter emissions requirements, delayed green technology adoption, and rising low-carbon customer demand, the Group has adopted cleaner technologies and implemented robust emission monitoring systems for transparent reporting. For physical risks like extreme weather and rising temperatures, the Group has enhanced extreme weather emergency plans and conducted annual inspections of equipment disaster resistance capacity to minimize operational disruptions and equipment damage.

With the development of environmental policies and the growing market demand for sustainable construction equipment, the Group actively seizes climate-related opportunities to drive long-term growth. To leverage regulatory incentives, the Group conducts thorough risk assessments and establishes clear ESG-aligned objectives for green projects to secure green loans. Additionally, the Group is dedicated to transitioning to greener machinery and low-waste operational processes powered by renewable energy, both to capture cost savings and to meet the rising market demand for climate-resilient products, particularly amid large-scale infrastructure projects in key markets.

The Group possesses the capacity to adapt its strategy and business model to climate change risks across short, medium, and long-term horizons through proactive measures such as ongoing scenario analysis and investment in resilient operations. This ensures our continued ability to implement effective mitigation approaches as needed.

The Group reviews and identifies the climate-related risk annually while conducting the risk assessment. We have considered the potential climate-related risks in respect of the recommendations of the Task Force on Climate related Financial Disclosure ("TCFD") and the Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCPs) to assess physical risks such as extreme weather conditions and transition risks such as regulatory change on environmental matters. Our business strategy prioritises the key climate-related risks to establish key performance indicators (KPIs) and targets for relevant departments to implement risk management measures.

The Group faces several climate-related risks and opportunities that can significantly impact its operations, market positioning, and long-term sustainability. Details of the analytic choices in the scenarios are listed below¹:

Pathways Aggressive Action, RCP 2.6
Limited Action, RCP 8.5

Time Horizons Short-Term: Within a year
Medium-Term: Between 1 to 3 years
Long-Term: Between 3-7 years

Physical risk	Extreme Heat				Heavy Rainfall				Tropical Cyclone			
	RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5		RCP 2.6		RCP 8.5	
Location/Timeframe*	S	L	S	L	S	L	S	L	S	L	S	L
Hong Kong	Low risk		Medium risk				Low risk		Medium risk			
Mainland China	Low risk		Medium risk				Low risk		Medium risk			
Singapore	Low risk		Medium risk				Low risk		Medium risk			

* S: Short-term, L: Long-term

Low risk
 Medium risk
 High risk

Risk	Risk Factor	Potential Impact	Risk Level	Time Frame	Action Take
Transition	Regulatory Risk				
	Stricter emissions standards	Increase operational and compliance costs	Medium	Short-Term	<ul style="list-style-type: none"> Adopt cleaner technologies such as electric or hybrid tower cranes, as well as renewable energy sources and energy efficient processes Implement robust monitoring systems to accurately track and transparently report emissions, which helps to identify areas for improvement and ensure regulatory compliance Provide comprehensive training to employees on the latest emission standards and best practices, which helps equip them with the knowledge needed to contribute to emissions reduction efforts

¹ For physical risk assessment, this analysis leverages Coupled Model Inter-comparison Project Phase 6 data to ensure the predictive accuracy. The analysis utilises past GHG emission data, projected to cover the long-term time frame with internal reduction targets to assess the potential impact of transition risks and is not intended as market forecasts.

Risk	Risk Factor	Potential Impact	Risk Level	Time Frame	Action Take
	Enhanced emissions reporting obligations	Increase operational and compliance costs	Medium	Short-Term	<ul style="list-style-type: none"> Conduct regular reviews of regulatory requirements, maintain compliance with established standards and identify potential areas for improvement Provide comprehensive training to employees on the latest reporting standards and methodologies to ensure that employees are equipped with the knowledge needed to accurately report emissions data and keep up with any updates in regulations Maintain transparent disclosure about emissions data and ongoing efforts in reducing emissions, so to foster trust and accountability among stakeholders, demonstrate a genuine commitment to environmental responsibility
	<p>Technology Risk</p> <ul style="list-style-type: none"> Failure to adopt emerging green technologies, such as energy-efficient machinery or automation Currently, the Group is not aware of any assets or business activities that are vulnerable to climate related transition risks 	Increase operational costs and loss of competitiveness	Medium	Medium-Term	<ul style="list-style-type: none"> Proactively invest in research and development to stay ahead of technological advancements Provide training and support to employees, ensure they are equipped to integrate and maximize the potential of technological advancements Adopt long-term strategy plan that aligns sustainability goals with business objectives, in order to demonstrate financial and environmental benefits of green technologies Collaboration with industry leaders and government incentives can also help offset initial costs, making the transition smoother. By fostering a culture of innovation and sustainability, companies can not only improve their operational efficiency but also enhance their competitive edge in a rapidly evolving market

Risk	Risk Factor	Potential Impact	Risk Level	Time Frame	Action Take
	Market Risk				
	Customer demand for more sustainable machinery with lower emissions	Affect on brand reputation and customer loyalty, demand for services decrease thus decline in revenue	Low	Medium-Term	<ul style="list-style-type: none"> Continue to monitor the development of emerging technologies, assess their potential impact on existing customers Ensure that ongoing feasibility of research and invest on new machinery
Physical	Acute Physical Risk				
	Extreme Weather Events like floods, storms, or heatwaves	Disrupt operational processes, supply chains, and cause equipment damage	Low	Short-Term	<ul style="list-style-type: none"> Enhance emergency plan for extreme weather to minimize operational disruptions and reduce potential losses Annual inspection of equipment disaster resistance capacity
	Chronic Physical Risks				
	<ul style="list-style-type: none"> Rising temperatures and changes in rainfall patterns Currently, the Group is not aware of any assets or business activities that are vulnerable to climate related physical risks 	Machinery may become less efficient, or causing energy-intensive operations which increase operational costs	Low	Medium-Term	<ul style="list-style-type: none"> Purchase tower crane bases and support structures that can withstand extreme weather conditions Implement advanced weather monitoring systems to track real-time weather conditions, allow timely adjustments to tower crane operations to ensure work safety during adverse weather Conduct frequent inspections of tower cranes and related equipment to identify and address any weather-related damages

Opportunity	Opportunity Factor	Potential Impact	Time Frame	Strategy Plan
Transition	Regulatory Opportunities			
	Government Incentives	Obtain green loans provide access to capital for environmentally sustainable projects	Medium-Term	<ul style="list-style-type: none"> Conduct a thorough risk assessment to identify potential challenges and develop mitigation strategies. This includes considering regulatory changes, market conditions, and project execution risks Establish specific, measurable, achievable, relevant, and time-bound objectives for the green projects that identifies environmental and social goals that will meet the requirements of green loans Develop a detailed financial plan that outlines the costs, funding sources, and expected returns of the projects. This includes budgeting for both the initial investment and ongoing operational costs
	Compliance and Certification	Meet the new regulatory standards for sustainability may attract new customer and enhance brand reputation, thus increase revenue	Short-Term	<ul style="list-style-type: none"> Enhance the transparency and accuracy of emission reporting, so to foster trust and accountability among stakeholders
	Technology Opportunities			
	Energy Efficiency Improvements	Invest in energy efficient technologies that leads to long term cost savings and improve environmental performance	Long-Term	<ul style="list-style-type: none"> Transition to greener machinery and operational processes that require renewable energy sources and generate less waste
	Market Opportunities			
	Climate-Resilient Products	Growing demand for machinery that helps industries adapt to climate change, such as renewable energy equipment or efficient energy solutions which helps to create new business opportunities, thus increase revenue	Medium-Term	<ul style="list-style-type: none"> Transition to greener machinery and operational processes that require renewable energy sources and generate less waste

B. SOCIAL ASPECTS

EMPLOYMENT AND LABOUR PRACTICES

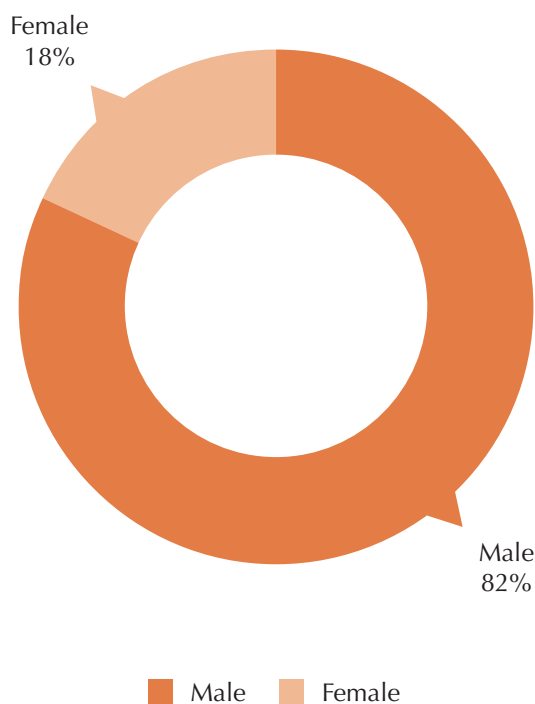
B.1. Employment

The Group strongly believes that the success of a company highly relies on the contribution and support from employees. A good use of human resources could lead sustainable development and bring bright future to the Group. It is the Group’s objective to nurture an inclusive and harmonious working environment. The Group treats employees as their most valuable treasure and strives to provide its employees with a safe and respectful platform for gaining professional knowledge, developing vocational career and living a fulfilling life. The Group has also provided a wide range of fringe benefits such as sick leave, annual leave and medical insurance in accordance with the local laws and Employment Ordinance. As of 31 December 2025, the Group had 106 employees in which all of employees are full time employee. During the reporting period, the Group decreased the size of workforce by 3% compared with the previous year. The total workforce of employee by (i) gender, (ii) age group (iii) geographical region are presented in the table below:

(i) Total workforce of employee by gender

Total workforce of employee by gender	2025	2024	Amount
			Increase (+) or Decrease (-) in Percentage
Male	87 (82.08%)	88 (80.73%)	-1.14%
Female	19 (17.92%)	21 (19.27%)	-9.52%

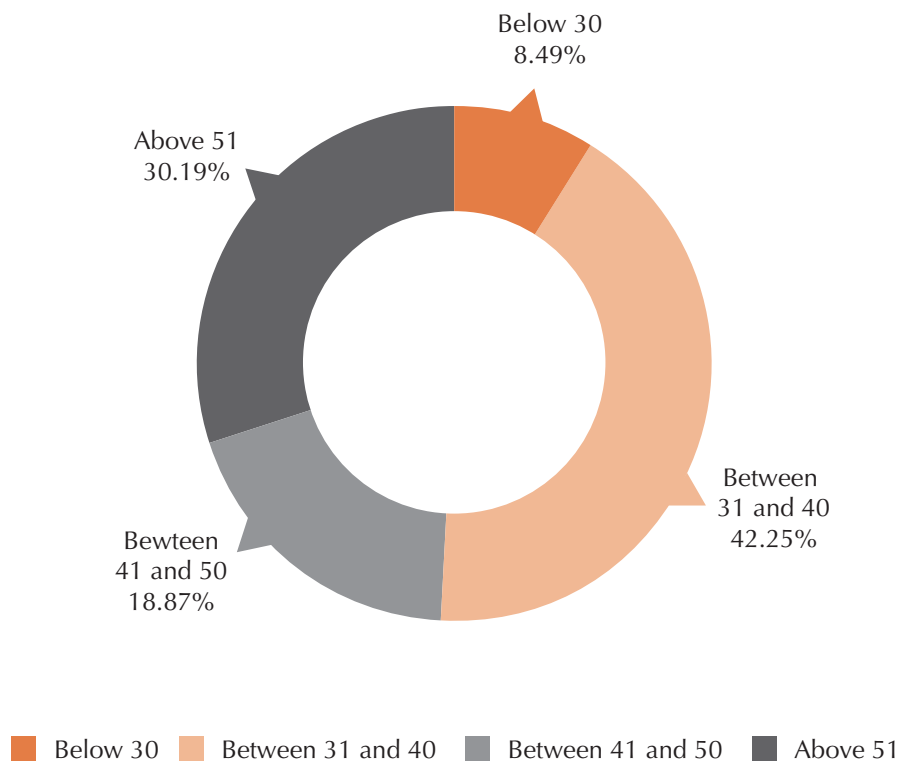
Chart 1 Total Workforce of the Group by Gender in 2025



(ii) Total workforce of employee by age

Total workforce of employee by age	2025	2024	Amount Increase (+) or Decrease (-) in Percentage
Below 30	9 (8.49%)	16 (14.68%)	-43.75%
Between 31 and 40	45 (42.45%)	46 (42.20%)	-2.17%
Between 41 and 50	20 (18.87%)	33 (30.28%)	-39.39%
Above 51	32 (30.19%)	14 (12.84%)	+128.57%

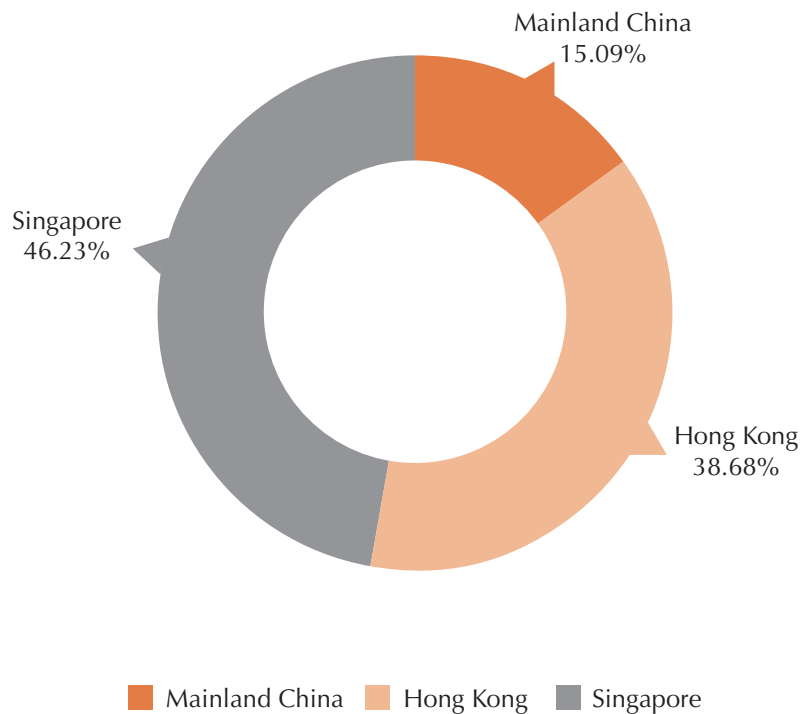
Chart 2 Total Workforce of the Group by Age Group in 2025



(iii) Total workforce of the employee by geographical region

Total workforce of employee by geographical region	2025	2024	Amount Increase (+) or Decrease (-) in Percentage
Mainland China	16 (15.09%)	20 (18.35%)	-20.00%
Hong Kong	41 (36.68%)	42 (38.53%)	-2.38%
Singapore	49 (46.23%)	47 (43.12%)	+4.26%

Chart 3 Total Workforce of the Group by Geographical Region in 2025



Law Compliance

The Group is not aware of any material non-compliance with the Employment Ordinance, Employees' Compensation Ordinance and other applicable laws and regulations that have significant impact regarding the compensation and dismissal, recruitment and promotion, working hours, equal opportunity and other benefits and welfare on the Group during reporting period. There is no violation on compliance with law that resulting in significant fines or sanctions which reported in 2025. The Group updates and adjusts the term in employment policies and staff handbook periodically for the aim of satisfying the desire of market and those acts are incepted and abide by the statutory laws and regulations in Hong Kong, the PRC and Singapore. During the Reporting Period, the Group complied with the applicable laws and regulations, including but not limited to the

- Employment Ordinance (Cap. 57 of the Laws of Hong Kong);
- Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong);
- Labour Law of the People's Republic of China (中華人民共和國勞動法);
- Insurance Law of the People's Republic of China (中華人民共和國社會保險法); and
- Employment Act (Singapore).

Recruitment, promotion, and dismissal

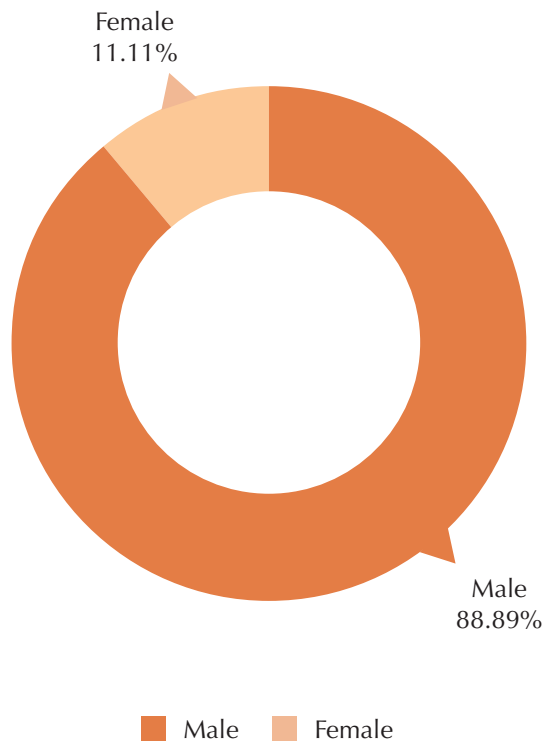
The Group has adopted a set of clear procedures regulated in 'Personnel Recruitment Plan', in its general and campus recruitment. The recruitment of the Group is fair and open for all employees. The selection processes are not affected by age, gender, physical and mental health status, or nationality. To attract high-calibre candidates, employees are compensated by fair and competitive remuneration and benefit packages based on individuals' educational background, personal attributes, job experiences, and career aspirations. To motivate newcomers and employees' interest in the positions and further contribute to the Group as well as accomplishing the tasks assigned efficiently, the Group offers promotion and development opportunities for employees with outstanding performance through an open and fair assessment system to explore employees' capability. Performance reviews are conducted annually to evaluate their achievements, work, and skills. Employees are rewarded for their contribution and work performance via salary review and promotion consideration. The Group aims to encourage and reward staff working contribution and their hard work by assisting them in their future career development and promotion with the Group. During the Reporting Period, the Group's overall employee turnover rate was approximately 8%. In cases of dismissal, the procedures are in compliance with statutory requirements. The Group observes turnover rate with a view to continuously enhance human resources management.

During the Reporting Period, the Group’s overall employee turnover rate was approximately 8% (2024: 25%). The employee turnover rate by (i) gender, (ii) age group (iii) geographical region are presented in the table below:

(i) Total turnover rate of employee by gender

Total turnover rate of employee by gender	2025		2024		Amount Increase (+) or Decrease (-) in Percentage
	The number of turnover employee	Turnover rate	The number of turnover employee	Turnover rate	
Male	8 (88.89%)	9%	24 (88.89%)	27%	-66.28%
Female	1 (11.11%)	5%	3 (11.11%)	14%	-66.67%

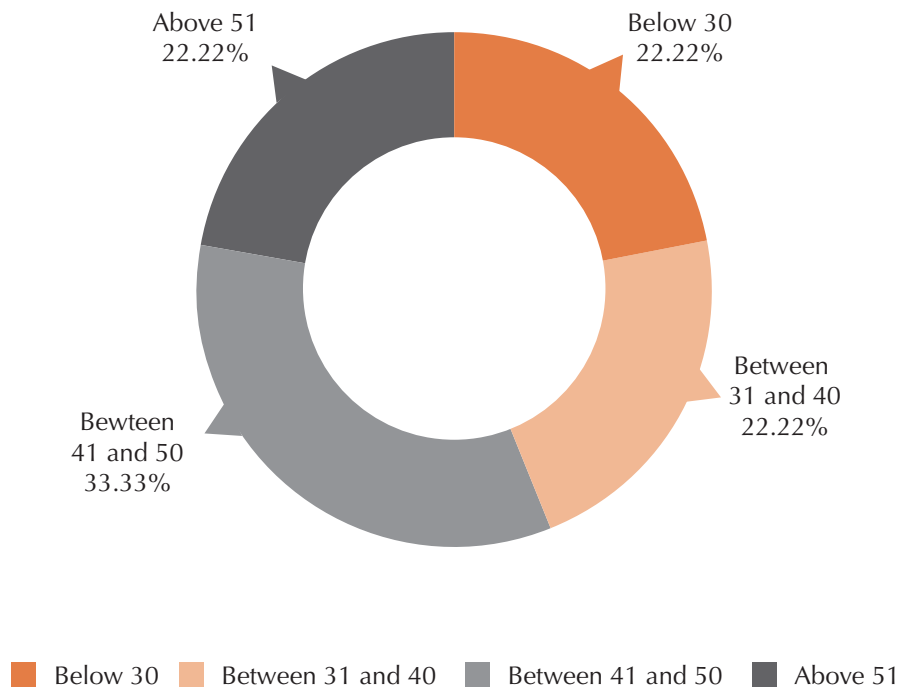
Chart 4 Total Turnover of the Group by Gender in 2025



(ii) Total Turnover rate of employee by age group

Total turnover rate of employee by age	2025		2024	
	The number of turnover employee	Turnover rate	The number of turnover employee	Turnover rate
Below 30	2 (22.22%)	22%	5 (18.52%)	31%
Between 31 and 40	2 (22.22%)	4%	8 (29.63%)	17%
Between 41 and 50	3 (33.33%)	15%	14 (51.85%)	42%
Above 51	2 (22.22%)	6%	–	–

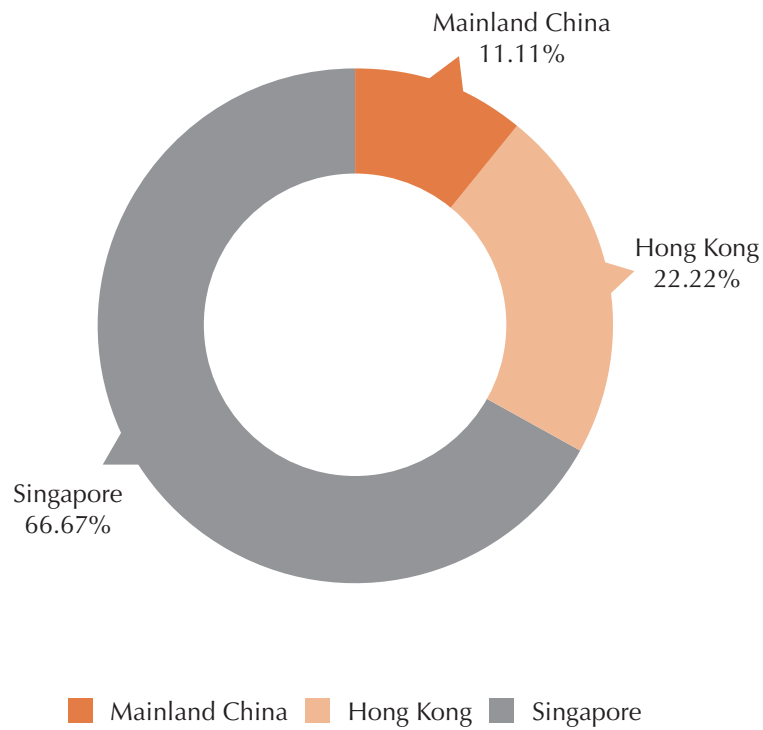
Chart 5 Total Turnover of the Group by Age Group in 2025 (to be updated)



(iii) Total turnover rate of employee by geographical region

Total turnover rate of employee by geographical region	2025		2024	
	The number of turnover employee	Turnover rate	The number of turnover employee	Turnover rate
Mainland China	1 (11.11%)	6%	15 (55.56%)	75%
Hong Kong	2 (22.22%)	5%	8 (29.63%)	19%
Singapore	6 (66.67%)	12%	4 (14.81%)	9%

Chart 6 Total Turnover of the Group by Geographical Region in 2025 (to be updated)



Working hours and rest periods

The Group recognises the importance of talent management in achieving business development and future growth in long term. In managing human resources, the Group commits to provide a healthy work-life balance for employees and a comfortable working environment conducive to cultivating a harmonious working culture. To maintain a happy, healthy, safe and productive working environment, we have implemented certain procedures and policies in all aspects of the Group's business operations and integrated into our employee handbook and human resources policy.

The Group has strict compliance on internal policies based on local employment laws including the 'Provisions of the State Council on Employees' Working Hours' (國務院關於職工工作時間的規定) to determine appropriate working hours and rest periods for its employees. In consonance with relevant laws and regulations, the Group monitors and manages its employee's working hours and compensates those who work overtime. The Group also helps employees to balance commitments outside of work by providing different kinds of leaves, such as, annual, maternity and other leaves so as maintain a healthy work-life balance beneficial to improve employee productivity.

Equal opportunity and anti-discrimination

The Group is an equal opportunity employer and strives to safeguard the equal opportunities in recruitment, training, promotion and remuneration, regardless of the age, gender, religion and disability. The Group aspires to improve employees' well-being and development and treats all employees on an equal footing in favour of maintaining an amicable working atmosphere without any kind of discrimination. The Group firmly demands equal employment to protect job applicants from discrimination, where none of disfavoured factors are considered before personal merit and competence in neither our evaluation for employment, promotion opportunities, nor remuneration. The Group has also set up disciplinary mechanism to encourage employees to express their concern and report any matters involving discrimination to the Human Resource Department of the Group. Investigations will be conducted and necessary punitive actions will be taken on responsible individuals so as to constitute a working environment free from discrimination and other inequalities.

During the Reporting Period, the Group has encountered no complaints regarding to unequal affair received from the Group. The Group is keen to create a fair and open competing environment, that of equal opportunities are provided to our employees regardless of their nationality, age, family status, race, etc.

Other benefits and welfare

In order to protect the employees' rights and provide them with a comfortable working environment, the Group is conforming to relevant national laws and regulations by arranging employment injury insurance for its employees. The Group also takes seriously the importance of creating an effective communication channel between the management of the Group and employees to bolster up staff motivation to take up their responsibilities for work, therefore, the Group regularly arranges a host of recreational activities for employees, including birthday lunches, BBQ gathering and annual dinner. On the other hand, those activities help to build up sense of belongings among employees and the Group and the employees may be more willing to work for the Group.

During the Reporting Period, the Group complied with relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, welfare and other benefits in which bring heavy impact on the Group.

B.2. Health and Safety

Since employees are the most valuable resources of the Group, we place paramount priority on securing health and safety of all employees. The primary objective for the Group is to maintain a safe and healthy working environment for employees under practicable condition. Ensuring the health and safety of our employee is also an integral part of our business activities. Therefore, the Group spares no effort to create a safe, hygienic and productive workplace by prohibiting the potential risk of accidents, injuries and exposure in relation to process no intimidation to employees' health. In order to provide a safe and clean working environment for employees and ensure strict compliance with safety standards and regulations, the Group has set up internal safety and health policies and adopts the best practice that are in line with relevant laws and regulations in Hong Kong, the PRC, and Singapore, including but not limited to the:

- Occupational Safety and Health Ordinance (Cap. 509 of the Laws of Hong Kong);
- Production Safety Law of the People's Republic of China (中華人民共和國安全生產法);
- Law of the People's Republic of China on Prevention and Control of Occupational Diseases (中華人民共和國職業病防治法);
- Regulation on Work-Related Injury Insurance (工傷保險條例);
- Work Injury Compensation Act (Singapore); and
- Workplace Safety and Health (WSH) Act (Singapore).

Safety training is vital to draw staff attention in mitigating the risk of work injuries. Apart from encouraging our employees to tidy up and clean work place in order to avert accidents, the Group has organised a wide range of training courses and seminars about occupational health and safety for the employees to raise the awareness of occupational safety. To promote work safety message, the Group reminds employees the importance of safe operation by posting safety warning and signs in workplace, and sticks to the instructions of the ISO 45001 Occupational Health and Safety Management Systems rigorously so to achieve the target of striving for zero accidents of all persons involved in work. Moreover, professional teams are organised to manage Occupational Health and Safety (OH&S) affairs for daily operation. The professional teams help to stay aware of any safety issues in the workplace and make regular checks in ensuring workplace safety. In the business of construction machinery, for example, the Repair & Maintenance Department and Services Department are the divisions responsible for the supervision of the implementation of OH&S policies. Those departments work together to check for any updates of relevant standards and regulations.

The Group believes that preventive measure is more essential than reactive measures. To prevent work injury and enhance safety awareness, different business segments of the Group have also implemented specific policies in the OH&S management. The Group arranges regular maintenance on machinery and equipment used in workplace so to ensure all machineries are in good condition and minimize accidents during operation. Besides, the Group emphasises work safety training issues among employees. For example, licensed workers in Hong Kong are required to complete compulsory Occupational Safety and Health courses provided by the Construction Industry Council and obtain the qualification or renew safety card so to confirm that they are familiar with the operations and have the knowledge on occupational safety when working in construction sites. To safeguard personal safety, employees working in sites are required to equip with sufficient protection for their work, such as wearing safety belts and safety hat when working at height. Thus, the incidents occurred from work will be eliminated. In accordance with the Safety Management Framework, different departments are responsible for specific duties to abate the occupational health and safety risks. For instance, warehouse manager holds responsibility for warehouse works; Workshop and onsite R&M issues are managed by R&M (Repair and Maintenance); Passenger Hoist team is formed for monitoring service work regarding the passenger hoist. Furthermore, the Group also pays attention on the details in its EHS (Environment, Health and Safety) management for better inspecting and enhancing the environment, health and safety related facilities. Internal staff conducts periodical inspection, maintenance and replacement on all fire equipment in which helps to mitigate the risk of unexpected accidents and worker injury. The subsidiary of the Group in Singapore, which was ISO 45001 certified, was awarded the 'BizSafe Star' certification from the Workplace Safety and Health Council.

Although the Group is pleased to announce that there are no work-related fatalities occurred in past three years, we recorded 242 lost days (2024 had 42 lost days) due to 1 case of work injury (after deduction of the public holiday) in the Reporting Period. The Group will strive to enhance our protective measures to minimise the incidents and alleviate the impact on our operation.

Apart from the above, we did not observe any breach of relevant laws and regulations that may have a significant impact on the Group during the Reporting Period. The Group will keep on promoting and maintaining occupational health and safety to all employees so as to avert work injury from happening.

B.3. Development and Training

The Group understands that knowledge, skills and capabilities of employees are essential to bring future development and success to the Group. In view of that, the Group is focusing on cultivating a culture of safety. The Group offers variety of training programmes for employees to improve their technical skills and knowledge in performing their duties. For example, the Group provides employees training programs on systematic techniques and safety related information in a bid to enhance the staff conscious and knowledge on occupational safety and health. As a way to motivate employees to take initiative in learning, the Group also encourages staff to attend external trainings and seminars which ensuring that all of our employees are well trained to promptly report the occurrence of any incidents and potential hazards as well as taking appropriate measures to advert damages to themselves and the assets of the Group.

Specifically, the Group provide a complete internal training package to all newly recruited employees, topics covering the history of company, corporate governance structure, corporate culture, business processes, and management system to create a platform for new joiners to understand the Group's background, mission and create the sense of belongings among staff and the Group. Enhancing employee technical skills and knowledge is also a way to assist business future development. Hence, the Group offers training for experienced employees as well. Profession-oriented courses arranged according to the corporate demands and employees' expectations. The Group strives to make sure that all employees are technically competent to complete their daily tasks with a more efficient manner and rise working performance through a variety of training opportunities.

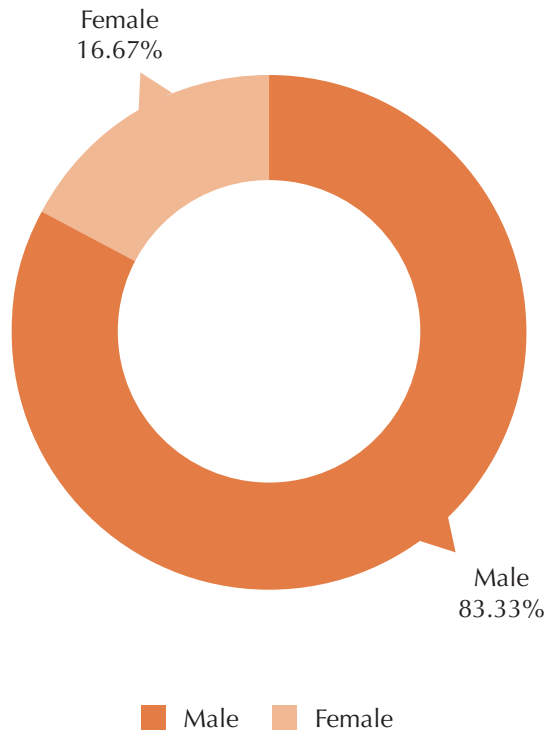
Moreover, the Group also highly encourage employees to further enhance their professional skills and meet the needs of the Group's development goal by signing up for relevant qualification examinations and external training as skillful employees can lead better development to the Group. In the Reporting Period, the employees from the business of construction machinery, for instance, participated in a number of training programmes held by the Construction Industry Council. As a way to boost employees' learning motivation, the Group provides reimbursement mechanism for employees who have attended the professional qualification examinations and obtained vocational qualification certificates. Furthermore, the Group has also organised continuous professional development related to high-level training and seminars for all directors for the purpose to ensure that they clearly understand business operations of the Group, directors' responsibilities and obligations under the Listing Rules and other regulatory requirements.

In the Reporting Period, there were a total of 72 out of 106 employees or 68% of employees who took a range of training courses organised either by the Group internally or external organisations such as Construction Industry Council, Hong Kong Institute of Construction and Vocational Training Council, and the training time of all participants amounted to 171 hours in total and the average training hours per employee was 1.61. The charts below show the percentage of employees trained by (i) gender and (ii) employee category.

(i) Total number of employees trained by gender:

Total number of employee trained by gender	2025	2024	Amount
			Increase (+) or Decrease (-) in Percentage
Male	60 (83.33%)	57 (85.07%)	+5.26%
Female	12 (16.67%)	10 (14.93%)	+20.00%

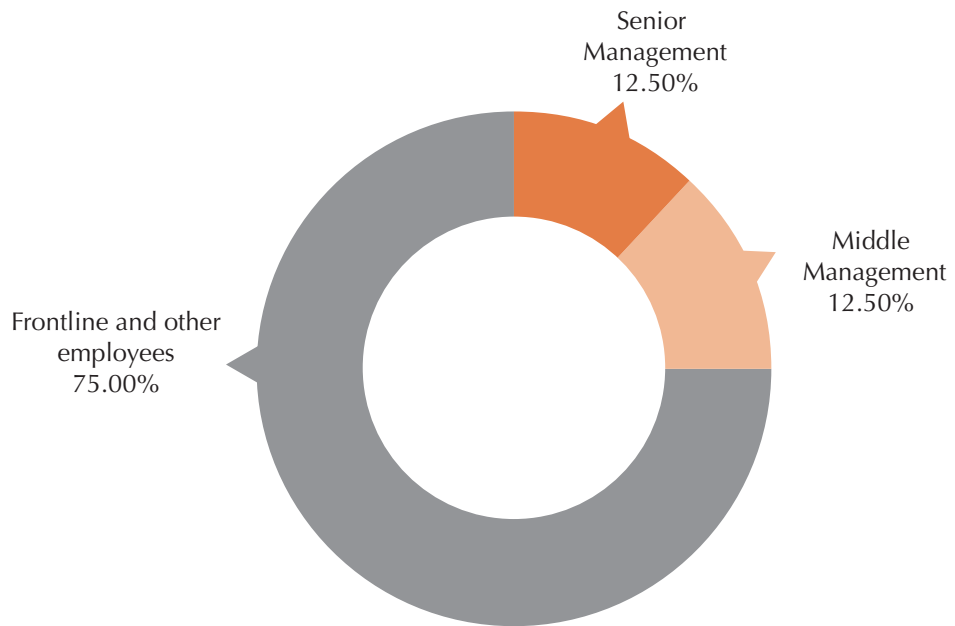
Chart 7 Percentage of employee trained by Gender in 2025



(ii) Total number of employees trained by employee category:

Total number of employee trained by employee category	2025	2024	Amount Increase (+) or Decrease (-) in Percentage
Senior management	9 (12.50%)	9 (13.43%)	-
Middle management	9 (12.50%)	9 (13.43%)	-
Frontline and other employees	54 (75.00%)	49 (73.13%)	+10.20%

Chart 8 Percentage of employee trained by Employee Category in 2025



■ Senior Management
 ■ Middle Management
 ■ Frontline and other employees

The average training hours completed per employee by (iii) gender and (iv) employee category

Average training hours completed per employee by Gender and Employee Category in 2025:

Average training hours completed per employee by category	Unit	2025	2024	Amount Increase (+) or Decrease (-) in Percentage
By gender				
Male	Hours	1.72	1.59	+8.18%
Female	Hours	1.11	1.38	-19.57%
By employee category				
Senior management	Hours	1.29	0.60	+115.00%
Middle management	Hours	1.00	0.69	+44.93%
Frontline and other employees	Hours	1.82	1.91	-4.71%

B.4. Labour Standards

The Group prohibits employing forced, bonded and child labour and it adheres to all relevant laws and regulations in order to protect the rights of all employees and does not tolerate labour exploitation. Hence, the Group commits to maintain work environment free of discrimination and all employees are fairly treated regardless of age, marital status, pregnancy, race and religion. Apart from that, during the Reporting Period, the Group abided by the Employment Ordinance (Cap. 57 of the Laws of Hong Kong), the Labour Law of the People's Republic of China (中華人民共和國勞動法) and Employment Act (Singapore) to prohibit any child and forced labour employment. Rights and freedom of every individual are protected by certain policies. To combat against illegal employment on child labour, underage workers and forced labour, the Group's human resources department requires all job applicants to provide valid identity documents to ensure that they are lawfully employable prior to confirmation of any employment. No worker is asked to neither provide identification documents nor lodge deposits as a condition of employment. In order to prevent child labour, the Human Resource Department takes verification procedures on job applicant's age. The Department is also responsible for monitoring and ensuring the compliance of corporate policies and practice with latest laws that prohibit child labour and forced labour. Any labour-related issues discovered by the Group will be dealt with diligently and the Group will take disciplinary action immediately, such as termination of employment contract.

During the Reporting Period, the Group has complied with the relevant laws and regulations, in relation to prevent the consequences arisen from child and forced labour on the Group.

OPERATING PRACTICES

B.5. Supply Chain Management

To fulfil environmental and social responsibility, the Group has put efforts to manage business operations including supply chain management by committing to develop and maintain effective and mutually beneficial business relationships with different business partners. As of 31 December 2025, the Group had 146 suppliers (2024 had 164 suppliers) in total where Singapore, PRC, Hong Kong had 80, 53 and 13 suppliers respectively. The Group keeps an effective engagement with all its suppliers. The booming supply base and sound relationship with suppliers are essential to meet demand in the high volume market. As a socially responsible enterprise, the Group ensures business sustainability and managing operating costs through playing a role in every stage of its products and services throughout its life cycle, and maintain proper management of the supply chain keep the Group's reputation.

In recent years, the Group spends efforts to manage a good relationship with suppliers so to achieve immediate and long-term business goals. In years, the Group has been the authorised dealer on trading and leasing of "Potain" brand tower cranes in Hong Kong. The manufacturer of "Potain" brand tower cranes is Manitowoc Crane Group Asia Pte ("**Manitowoc**"), the Group's major supplier in the business of Trading and Leasing of Construction Machinery. Since the year 2016, Manta Hong Kong has also been the exclusive dealer of GJJ passenger hoists by Jing Long Eng. Machinery Co., Ltd. (廣州市京龍工程機械有限公司) ("**Jing Long**") in Hong Kong and Macau. The Group has formal written distribution agreements for both dealerships.

According to the Group's practice, certain construction work such as installation, erection, floor climbing operation and dismantling work of tower cranes and passenger are subcontracted to other companies through tendering. During the tendering procedures and post management on the performance of the sub-contractors, the Group works to ensure that all suppliers comply with the requirements and conditions that has been agreed upon in the contract based on rounds of negotiations so to avoid potential risks happening. The Group mainly keeps in touch with few tenders during tendering process so to stabilise the supply chain and avoid the risk of monopoly of supply. For the part of subcontractor selection, the Group has consideration on the aspects of price, reputation, previous job reference, compliance with local laws and regulations in business operation, relevant business licenses, products' specifications and qualification of the team workers. Several rounds of quotation are conducted, product quality is carefully investigated and environmental management qualification and certification are verified before coming up any decisions making. Besides, fair and transparent tendering process is being held to regulates any factors including law-compliance, business licenses and job reference. The Group also requires that certification must be a compulsorily considered in the sub-contractor selection process. Furthermore, the Group performs periodic evaluation on the suppliers and services providers' performance with the objective of reviewing for better control and assurance on the products and service quality. Apart from it, to ensure the quality of work and operating performance fulfil the requirements in the aspects of technical and environmental, performance of sub-contractors on site inspected by Group's service supervisors. They provide relevant advisory support, and record any inappropriate practice and report observations of non-compliance or quality problem to the management immediately if there is any issue.

The Group commits to limit the negative environmental influence that might be brought by sourcing activities. Continuously, we will incorporate sustainability considerations into our sourcing practices including procurement of other office equipment and communicate with suppliers on their environmental and social responsibilities to identify opportunities to improve their current environmental and social practices. The Group values the partnership with its suppliers and believes that a competent value chain management can drive long-term cooperation, quality and responsible behaviour efficiently.

B.6. Product Responsibility

The Group takes product safety and quality as a major competitive advantage of its business and spends effort to enhance product quality and strengthen trust with customers. The Group has measures in place to deal with the issues of product quality to ensure all products that supplied to our customers meet our requirements for product safety and quality. To secure that the products delivered with high quality, the Group has performed assessment on supplier's background and the quality of the material supplied before admitted as qualified suppliers. With regard to the Group's health and safety, advertising, labelling and privacy matters of its products and services, the Group fully complies with the relevant rules, regulations and standards in Hong Kong, the PRC and Singapore, including but not limited to the followings:

- Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations (Hong Kong);
- Guidelines on Safety of Tower Cranes (Hong Kong);
- Guidelines on Safety of Lift Shaft Works (Hong Kong);
- Code of Practice for Safe Use of Tower Cranes (Hong Kong);
- Boilers and Pressure Vessels Ordinance (Hong Kong);
- Code of Practice for Owners of Boilers and Pressure Vessels (Hong Kong);
- Trade Marks Ordinance (Cap. 559 of the Laws of Hong Kong);
- Patents Ordinance (Cap. 514 of the Laws of Hong Kong);
- Copyright Ordinance (Cap. 528 of the Laws of Hong Kong);
- Personal Data (Privacy) Ordinance (Cap. 486 of the Laws of Hong Kong);
- Workplace Safety and Health Act (Singapore);
- Work Injury Compensation Act (Singapore);
- Patents Act (Singapore);
- Copyright Act (Singapore);
- Trade Marks Act (Singapore);
- Personal Data Protection Act (Singapore);

- Product Quality Law of the People’s Republic of China (中華人民共和國產品質量法);
- Production Safety Law of the People’s Republic of China (中華人民共和國安全生產法);
- Patent Law of the People’s Republic of China (中華人民共和國專利法);
- Trademark Law of the People’s Republic of China (中華人民共和國商標法);
- Law of the People’s Republic of China on the Protection of Consumer Rights and Interests (中華人民共和國消費者權益保護法); and
- Advertising Law of the People’s Republic of China (中華人民共和國廣告法).

Product safety is the major emphasis of the core business in Hong Kong and Singapore branch, as the main requirement of the operation of tower cranes is the guarantee of their reliability under adverse external influences. The Group contains only one supplier of “Potain” brand tower cranes in Hong Kong and Singapore, namely Manitowoc. Therefore, the Group adheres to the Potain’s product operating and maintenance manuals, ‘Guidelines on Safety of, Tower Cranes’ and its internal policies in the maintenance works to eliminate the risks during construction project that might be caused by the aging, failure, or other malfunctions. To ensure product safety, basic maintenance such as, painting, polishing and reinforcement of connecting parts, and lubrication of moving components inspected regularly. The Group has also conducted a more comprehensive check and maintenance after the rental period in order to maintain a high level of equipment efficiency. Before the erection, climbing and dismantling of machines, relevant inspections are necessary and required to be carried out in a discreet way by professionals. In Hong Kong, the subsidiary normally engages external government Authorised Examiners (“AE”) to perform ultrasonic test and corrosion prevention test along with professional engineering calculations before operations. In Singapore, a certification from AE is necessitated for erected T-cranes. It is worth mentioning that the labour department of the Group in Hong Kong is responsible for enforcing the requirements of OH&S regulations in the company therefore, the Group sets up a legislative framework as reference and advisory guides for health and safety assurance in operations. The Group modified and upgrade its fleet to ensure the stability of all machineries by following the requirement of latest and relevant guidelines about the installation of a secondary braking system in all tower cranes used in job sites updated by the Hong Kong Housing Authority.

The Group realises that maintaining good quality of products is the way to keeps its reputation and secure long-term customer support since the customers are emphasising the great importance to the quality of energy products provided by the Group.

Along with the expansion of business segment and variety of services type provided by the Group, it commits to tailor-made for each one in order to satisfy all clients desire. To deal with the post-sales issue, like repair and maintenance, addressing customers’ requests and enquiries relating to the operation of machineries in a timely and efficient manner, a professional in-house servicing team consisting of professional engineers and experts in Hong Kong and Singapore launched to tackle the above issues. To better archive the goals set by the Group of product safety issue, clear onsite inspections and guidance are also set up to make sure that the customers of the Group can operate the equipment conveniently.

The Group places a high priority to ensure customer satisfaction in terms of products and services, hence, to ensure customer receives rapid response and experience an efficient problem-solving process, setting up an abundant inventory of replacement and spare components for maintenance is important. As such, the Group has established an efficient system on the management of repair and maintenance items in order to assure that customers' opinion managed efficiently and confidently. Once any complaint and feedback received from its clients, the quality control department of the Group will make an investigation and verify the case accordingly. Professional team of the Group is responsible for taking corrective actions when substantiated complaints are addressed, ensuring that all customers' complaints can be resolved efficiently. The Group has also established various operations manual to archive the purpose of standardising the procedure of operation and documentation of record, so to sustain the quality and consistency of the above services and operations.

During the Reporting Period, none of our products were recalled and the Group received only one complaint related to the Group's products and services. The Group welcomes all kinds of feedback no matter it is a positive compliment or suggestion for improvement, and sees the valuable piece of advice from its customers as opportunities to sum up experience and enhance service quality. The Group treats every customer opinion as a motivation for having better enhancement. It also aspires to supply the best service experience to improve customer satisfaction by setting up an internal 'Product Recall Control Procedures' policy, specifying a strict procedure to deal with any matters regarding product recall that might be caused by product defect, safety hazard or non-compliance with relevant regulations. The Company has also launched different communication channels, such as emails, hotline to collect valuable opinion from customer. The Group follows up complaints closely and keeps improving the product quality and services to fulfil customers' desire and enrich customer experience.

The Group's senior management is responsible for safeguarding the intellectual properties. Contracts between the Group, employees and relevant parties contained a confidentiality clause to prevent the leakage and misuse of the intellectual property rights. A whistleblowing policy is in place for employees report any incident regarding the non-compliance with relevant laws and regulations of the patents, copyright and trademarks.

Data protection measures are established and monitored by the senior management to protect the sensitive data of the customers, suppliers and other relevant parties. A secure environment with data protection measure is set up to store these data in the information system. Only authorized staff members have the right to require the access to the sensitive data. Employees were trained of not releasing the personal data of both the customers and suppliers to external parties without the permission of the relevant parties. This is to prevent any accidental or unauthorized access, amendments or usage of these data that would damage the reputation and image of the Group. During the Reviewing Period, the Group was unaware of any unauthorized access, accidental, usage or amendments of these data.

B.7. Anti-corruption

The Group is committed to upholding high standards of business ethics and integrity in the conduct of the Group's business and operations. Honesty, integrity and fair play are important elements in the Group's business. The Group adopts a zero-tolerance approach for bribery, extortion, fraud and money laundering. Employees at all levels such as Directors, management personnel, staff members are required to manage themselves with integrity, impartiality and honesty. In order to maintain a fair, ethical and efficient working environment, the Group strictly follows the local laws and regulations relating to anti-corruption and bribery in 2025, including but not limited to the:

- Anti-corruption law of the People's Republic of China (中華人民共和國反腐敗法);
- Law of the People's Republic of China on Anti-Money Laundering (中華人民共和國反洗錢法);
- Interim Provisions on Banning Commercial Bribery (國家工商管理行政管理局關於禁止商業賄賂行為的暫行規定);
- Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong);
- Prevention of Bribery Ordinance (Cap. 201 of the Laws of Hong Kong); and
- Prevention of Corruption Act (Singapore).

To promote fair and just commercial competition and make this strong commitment within our business, the Group has enforced its anti-corruption policies as stipulated in its 'Code of Conduct and Discipline' and 'Staff Handbook' to manage any fraudulent practices within the organisation. For internal management, all forms of bribery and corruption prohibited in the Group and all employees are required to conform to the codes of professional ethics. The Group has conveyed firm stance against corruption and fraud to employees. All employees are expected to perform their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities that might exploit their positions against the Group's interests and create conflicts of interest.

In order to avert corruption, the Group has provided an obvious, safe and confidential way for employees to report suspicious concern with Whistleblowing channels, as described in our 'Whistleblowing Policy'. The policy has been in place for any reporting on the case of anti-corruption by employees without any fear of receiving any negative impacts since whistle blower is protected and staff can report misconduct anonymously. The policy aims to draw attention in maintaining internal corporate fairness and justice. Suspected non-compliance may be reported to the audit committee. Any suspiciously illegal behaviour would be investigated, evaluated and disciplined in order to protect the Group's interests. The management of the Group will review and arrange follow up actions to inspect on any misconduct case. Employees found to have breached our standards and be engaged in misconduct will be subjected to termination of contract, dismissal, or criminal proceedings.

The Group emphasizes raising the awareness of employees regarding anti-corruption. During the reporting period, the Group held an internal anti-corruption training to director and employees. The duration of the training was 19.5 hours and the participants were 3 directors and 10 staffs.

In 2025, the Group complied with the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering that bringing a significant impact on the Group. Organisational structures and policies in the Group are in place to insist a high standard of corporate governance and maintain an ethical corporate culture. During the Reporting Period, no concluded legal case concerned corrupt practices brought against the Group or our employees.

B.8. Community Investment

As a socially responsible enterprise, the Group is constantly aware of the needs of community and takes up its corporate responsibility to give back the community. It is the one of the core values of the Group to generate significant upstream and downstream impacts on sustainability in the surrounding environment with its community members. The Group also believes in the essential of sustainable development and environmental protection into all aspects of business activities.

Despite the fact that the Group has faced difficulties in investing resources during a hard time, the Group is committed to exerting resources to support our community and encourage our employees to dedicate their skills in participating in various charitable and local voluntary activities thus to creating a harmonious society when available in the future. The Group has also implemented several measures and internal policy to minimise the negative impact towards the environment, such as greenhouse gases, solid waste and wastewater.

The Group will strive to uphold the principles of accountability to shareholders, investors, suppliers, customers and seek further development opportunities to maintain a harmonious relationship with the stakeholders in long-term relationship and enhance its social responsibilities as a corporate citizen to make positive contributions to the public community.



TO THE SHAREHOLDERS OF KAISA CAPITAL INVESTMENT HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Kaisa Capital Investment Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 78 to 158, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

INDEPENDENT AUDITOR'S REPORT

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was 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 this matter.

Key audit matter	How our audit addressed the key audit matter
Valuation of trade receivables	
<p>We identified expected credit losses (“ECL”) assessment of trade receivables as a key audit matter due to the significance of trade receivables to the Group’s consolidated financial position and the involvement of subjective judgement and management estimates in evaluating the ECL of the Group’s trade receivables at the end of the reporting period.</p> <p>As disclosed in notes 5.5 and 40(b) to the consolidated financial statements, the management of the Group identified debtors that are credit-impaired, of which the ECL are assessed individually. The remaining amounts are assessed on collective basis through grouping of various debtors that have similar loss patterns based on the comparable probability of default and recovery rate quoted from international credit-rating agencies.</p> <p>As at 31 December 2025, the carrying amount of trade receivables is approximately HK\$66,174,000 as set out in note 23 and 40(b) to the consolidated financial statements.</p>	<p>Our audit procedures in relation to the valuation of trade receivables included:</p> <ul style="list-style-type: none"> (i) Obtaining an understanding of how the ECL allowances for trade receivables is estimated by management; (ii) Assessing the competence, capabilities and objectivity of independent professional qualified valuer (the “Valuer”) that was engaged by the management to assist the management to assess the credit risk for the trade receivables portfolio; (iii) Challenging management’s basis and judgement in determining credit loss allowance on trade receivables as at 31 December 2025, including their identification of trade receivables which are assessed for ECL individually, the reasonableness of management’s grouping of the remaining trade debtors into different categories in the provision matrix, and the basis of estimated loss rates applied in each category in the provision matrix (with reference to the comparable probability of default and recovery rate quoted from international credit-rating agencies and forward looking information); and (iv) Assessing whether items were correctly categorised in the accounts receivable aging report by comparing a sample of individual items with the underlying goods delivery notes (for machinery sales), lease commencement slips and sales invoices.

OTHER INFORMATION

The directors are responsible for other information. The other information comprises all 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 are responsible for the preparation of 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.

INDEPENDENT AUDITOR'S REPORT

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, 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 judgement and maintain professional scepticism throughout the audit. We also:

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

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

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 director on the audit resulting in this independent auditor's report is Chan Ka Kit.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 26 March 2026

Chan Ka Kit

Practising Certificate Number P08291

78 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Continuing operations			
Revenue	8	237,506	225,114
Cost of sales and services		(106,491)	(89,804)
Gross profit		131,015	135,310
Other income and gains	9	6,777	3,240
Selling and distribution expenses		(2,740)	(2,275)
Administrative expenses		(54,897)	(61,745)
Other operating expenses	10	(60,053)	(55,899)
Finance costs	11	(11,446)	(11,301)
Profit before income tax	12	8,656	7,330
Income tax expense	13	(1,856)	(1,450)
Profit for the year from continuing operations		6,800	5,880
Discontinued operation			
Loss for the year from discontinued operation	15	–	(118,396)
Profit (loss) for the year		6,800	(112,516)
Other comprehensive income (loss)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations		3,921	(2,860)
Total comprehensive income (loss) for the year attributable to owners of the Company		10,721	(115,376)
Basic and diluted earnings (loss) per share			
	16		
– continuing operations (HK cents)		0.64	0.55
– discontinued operation (HK cents)		N/A	(11.17)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

79

as at 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	18	212,275	188,364
Right-of-use assets	19	171,169	176,500
Intangible assets	20	–	–
Equity instrument at fair value through other comprehensive income	21	290	–
		383,734	364,864
Current assets			
Inventories and consumables	22	18,968	16,428
Trade receivables	23	66,174	67,270
Prepayments, deposits and other receivables	24	9,986	11,809
Cash and cash equivalents	25	5,996	14,368
		101,124	109,875
Current liabilities			
Trade payables	26	106,958	85,868
Receipt in advance, accruals and other payables	27	111,889	107,324
Contract liabilities	27	671	1,624
Borrowings	28	2,193	14,277
Other loans	29	83,000	83,000
Lease liabilities	30	49,619	41,606
Tax payable		3,714	4,046
		358,044	337,745
Net current liabilities		(256,920)	(227,870)
Total assets less current liabilities		126,814	136,994

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	<i>Notes</i>	2025 HK\$'000	2024 HK\$'000
Non-current liabilities			
Borrowings	28	522	2,680
Lease liabilities	30	47,062	69,627
Receipt in advance	27	28,163	27,078
Deferred tax liabilities	31	12,554	9,817
		88,301	109,202
Net assets		38,513	27,792
EQUITY			
Share capital	32	10,600	10,600
Reserves	33	27,913	17,192
Total equity		38,513	27,792

The consolidated financial statements on pages 78 to 158 were approved and authorised for issue by the directors of the Company on 26 March 2026 and are signed on its behalf by:

Yu Huiming
Executive Director

Lee Kin Ping Gigi
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

81

for the year ended 31 December 2025

	Share capital HK\$'000	Share premium HK\$'000	Statutory reserve HK\$'000	Merger reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 January 2024	10,600	346,824	3,459	120,985	17,537	7,114	(363,351)	143,168
Loss for the year	-	-	-	-	-	-	(112,516)	(112,516)
Exchange differences on translating foreign operations	-	-	-	-	-	(2,860)	-	(2,860)
Total comprehensive loss for the year	-	-	-	-	-	(2,860)	(112,516)	(115,376)
Balance at 31 December 2024 and 1 January 2025	10,600	346,824	3,459	120,985	17,537	4,254	(475,867)	27,792
Profit for the year	-	-	-	-	-	-	6,800	6,800
Exchange differences on translating foreign operations	-	-	-	-	-	3,921	-	3,921
Total comprehensive income for the year	-	-	-	-	-	3,921	6,800	10,721
Balance at 31 December 2025	10,600	346,824	3,459	120,985	17,537	8,175	(469,067)	38,513

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from operating activities			
Profit before income tax			
– Continuing operations		8,656	7,330
– Discontinued operation		–	(118,396)
Adjustments for:			
Bank interest income	9	(1)	(1)
Gain on disposal of property, plant and equipment	9	(674)	(1,081)
Impairment loss on trade receivables, net	12	2,690	390
Impairment loss on properties under development	15	–	118,381
Depreciation of property, plant and equipment	12	32,206	32,307
Depreciation of right-of-use assets	12	27,847	23,180
Provision for (reversal of provision for) inventories, net	12	175	(55)
Amortisation of intangible assets	12	–	412
Finance costs	11	11,446	11,301
Operating profit before working capital changes		82,345	73,768
Increase in properties under development		–	(1,170)
Increase in inventories and consumables		(2,715)	(1,698)
Increase in trade receivables		(1,594)	(5,280)
(Increase) decrease in prepayments, deposits and other receivables		(3,506)	13,853
Increase in trade payables		18,403	2,062
(Decrease) increase in receipt in advance, accruals and other payables		(286)	1,198
(Decrease) increase in contract liabilities		(953)	1,376
<i>Cash generated from operations and net cash generated from operating activities</i>		91,694	84,109

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

83

	Notes	2025 HK\$'000	2024 HK\$'000
Cash flows from investing activities			
Interest received		1	1
Purchase of property, plant and equipment		(35,001)	(34,491)
Proceeds from disposal of properties under development	15	–	16,977
Proceeds from disposal of property, plant and equipment		917	3,313
<i>Net cash used in investing activities</i>		(34,083)	(14,200)
Cash flows from financing activities			
Interest on borrowings	37(b)	(553)	(900)
Repayment of lease liabilities	37(b)	(44,991)	(46,374)
Interest element of lease rentals paid	37(b)	(6,743)	(6,251)
Repayment of borrowings	37(b)	(14,242)	(25,750)
<i>Net cash used in financing activities</i>		(66,529)	(79,275)
Net decrease in cash and cash equivalents		(8,918)	(9,366)
Cash and cash equivalents at the beginning of year		14,368	24,228
Effect of exchange rates changes on cash and cash equivalents		546	(494)
Cash and cash equivalents at the end of year	25	5,996	14,368

1. GENERAL INFORMATION

Kaisa Capital Investment Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The address of the Company’s registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Its principal place of business in Hong Kong was changed from Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong to 30/F, The Center, 99 Queen’s Road, Central, Hong Kong. The Company is an investment company and its subsidiaries (collectively known as the “Group”) are principally engaged in (i) trading of construction machinery and spare parts, leasing of the construction machinery under operating leases and providing repair and maintenance services in respect of the construction machinery (“the Construction Equipment Business”) and (ii) property development (“the Property Development Business”).

The principal activities of the subsidiaries are described in note 36.

The Company’s issued shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 19 July 2010. The Company’s immediate holding company is Mighty Empire Group Limited and the ultimate holding company is Kaisa Group Holdings Ltd. (“Kaisa Group”). Mighty Empire Group Limited was incorporated in the British Virgin Islands and Kaisa Group was incorporated in the Cayman Islands. The issued shares of Kaisa Group are listed on the Main Board of the Stock Exchange.

2. BASIS OF PREPARATION

2.1 Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence 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 of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

As at 31 December 2025, the Group had net current liabilities of approximately HK\$256,920,000 and accumulated losses of approximately HK\$469,067,000. Besides, the Group’s total borrowings comprising borrowings, other loans and associated interest payables amounting to approximately HK\$122,740,000, of which current borrowings amounting to approximately HK\$122,218,000, while its cash and cash equivalents amounting to approximately HK\$5,996,000.

The directors of the Company (the “Directors”) consider that the Group will be able to meet its financial obligations as they fall due for at least twelve months from 31 December 2025, on the basis that the major shareholder of the Company has issued a letter of financial support to the Company for a period of fifteen months from 31 December 2025 to enable the Group to meet its liabilities as and when they fall due.

2. BASIS OF PREPARATION *(Continued)*

2.1 Basis of preparation of consolidated financial statements *(Continued)*

Taking into account the above financial support from the major shareholder of the Company and after assessing the Group's current and future cash flow positions, the Directors are satisfied that the Group will be able to meet their financial obligations when they fall due. Accordingly, the Directors are of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for any future liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effect of these adjustments has not been reflected in the consolidated financial statements.

The consolidated financial statements have been prepared on the historical cost basis except for the equity instrument that is measured at fair value at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

2.2 Functional and presentation currencies

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

3. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements on pages 78 to 158 were approved and authorised for issue by the board of Directors (the "Board") on 26 March 2026.

4. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

4.1 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 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.

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

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

4.2 New and amendments to HKFRS Accounting Standards in issue but not yet effective (Continued)

Amendments to HKFRS 9 and HKFRS 7 Amendments to the Classification and Measurement of Financial Instruments

The amendments to HKFRS 9 *Financial Instruments* (“HKFRS 9”) clarify the recognition and derecognition for financial asset and financial liability and add an exception which permits an entity to deem a financial liability to be discharged before the settlement date if it is settled in cash using an electronic payment system if, and only if certain conditions are met.

The amendments also provide guidance on the assessment of whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement. The amendments specify that an entity should focus on what an entity is being compensated for rather than the compensation amount. Contractual cash flows are inconsistent with a basic lending arrangement if they are indexed to a variable that is not a basic lending risk or cost. The amendments state that, in some cases, a contingent feature may give rise to contractual cash flows that are consistent with a basic lending arrangement both before and after the change in contractual cash flows, but the nature of the contingent event itself does not relate directly to changes in basic lending risks and costs. Furthermore, the description of the term “non-recourse” is enhanced and the characteristics of “contractually linked instruments” are clarified in the amendments.

The disclosure requirements in HKFRS 7 *Financial Instruments: Disclosures* (“HKFRS 7”) in respect of investments in equity instruments designated at fair value through other comprehensive income are amended. In particular, entities are required to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately those related to investments derecognised during the reporting period and those related to investments held at the end of the reporting period. An entity is also required to disclose any transfers of the cumulative gain or loss within equity related to the investments derecognised during the reporting period. In addition, the amendments introduce the requirements of qualitative and quantitative disclosure of contractual terms that could affect the contractual cash flow based on a contingent even not directly relating to basic lending risks and cost.

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

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* (“HKAS 1”). This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is not expected to have significant impact on the financial position and performance of the Group.

5. MATERIAL ACCOUNTING POLICY INFORMATION

5.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company. Total comprehensive income of subsidiaries is attributed to the owners of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

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.

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal, when the operation meets the criteria to be classified as held for sale or when a business that represented a separate major line of business or geographical area of operations ceases operation. When an operation is classified as a discontinued operation, the comparative statement of profit or loss is re-stated as if the operation had been discontinued from the start of the comparative year.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.1 Basis of consolidation *(Continued)*

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.

When the Group loses control of a subsidiary, the assets and liabilities of that subsidiary and non-controlling interests (if any) are derecognised. A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets, and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.2 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.

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.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

5.3 Intangible assets (other than goodwill)

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less any subsequent accumulated impairment losses.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.4 Leases

Definition of a lease

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

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, including contract for acquisition of ownership interests of a property which includes both leasehold land and non-lease building components, unless such allocation cannot be made reliably.

Non-lease components are separated from lease component and are accounted for by applying other applicable standards.

Short-term leases and leases of low-value assets

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. It also applies the recognition exemption for lease of low-value assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use assets

The cost of right-of-use asset includes:

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

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

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.4 Leases *(Continued)*

The Group as a lessee *(Continued)*

Right-of-use assets *(Continued)*

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment.

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

Refundable rental deposits

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

Lease liabilities

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

The lease payments include:

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

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.4 Leases *(Continued)*

The Group as a lessee *(Continued)*

Lease liabilities *(Continued)*

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

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease (see below for the accounting policy for “lease modifications”).

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

Lease modifications

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

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

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

The Group accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use asset.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.4 Leases *(Continued)*

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 on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset, and such costs are recognised as an expense on a straight-line basis over the lease term.

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

Allocation of consideration to components of a contract

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 to allocate consideration in a contract to lease and non-lease components. Non-lease components are separated from lease component on the basis of their relative stand-alone selling prices.

Refundable rental deposits

Refundable rental deposits received are accounted for under HKFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments from lessees.

Sublease

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts.

The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

Lease modification

Changes in considerations of lease contracts that were not part of the original terms and conditions are accounted for as lease modifications, including lease incentives provided through forgiveness or reduction of rentals.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.4 Leases *(Continued)*

The Group as a lessor *(Continued)*

Lease modification *(Continued)*

(i) Operating leases

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

5.5 Financial Instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

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. 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.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.5 Financial Instruments *(Continued)*

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 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.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; 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.

All other financial assets are subsequently measured at FVTPL, except that at initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative except for a derivative that is a designated and effective hedging instrument.

In addition, the Group may irrevocably designate a financial asset that are required to be measured at the amortised cost or FVTOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.5 Financial Instruments *(Continued)*

Financial assets *(Continued)*

Amortised cost and interest income

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). 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.

Equity instruments designated as at FVTOCI

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the FVTOCI reserve; and are not subject to impairment assessment. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, and continues to be held in the FVTOCI reserve.

Impairment of financial assets subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade 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 past events and current conditions at the reporting date as well as the forecast of future economic conditions.

The Group always recognises lifetime ECL for trade receivables.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless 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.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.5 Financial Instruments *(Continued)*

Financial assets *(Continued)*

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts and governmental bodies, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

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

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.5 Financial Instruments *(Continued)*

Financial assets *(Continued)*

Credit-impaired financial assets (Continued)

Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

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 and forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights. The Group uses a practical expedient in estimating ECL on trade receivables using a provision matrix taking into consideration historical credit loss experience, adjusted for forward looking information that is available without undue cost or effort.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.5 Financial Instruments *(Continued)*

Financial assets *(Continued)*

Measurement and recognition of ECL *(Continued)*

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

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.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'Other income and gains' line item (note 9) as part of the 'exchange gain, net'.

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

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.

Financial liabilities at amortised cost

Financial liabilities including trade payables, accruals and other payables, borrowings, other loans and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.5 Financial Instruments *(Continued)*

Financial liabilities *(Continued)*

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'Other income and gains' line item in profit or loss (note 9) as part of 'exchange gain, net' for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

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.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

5.6 Inventories and consumables

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Costs 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.

Consumables for own consumption or provision of services are stated at cost. Cost is determined using the weighted average method.

5.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits with banks and short-term highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.8 Revenue recognition

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties. Revenue is net of value added tax or other sales taxes, if any.

Depending on the terms of the contract and the laws that apply to the contract, control of the goods or service may be transferred over time or at a point in time. Control of the goods or service is transferred over time if the Group's performance:

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

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

When the contract contains a financing component which provides the customer a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amounts receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method. For contracts where the period between the payment and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.8 Revenue recognition *(Continued)*

Under HKFRS 15, revenue from sales of machinery and spare parts is recognised at a point in time upon delivery and there is no unfulfilling performance obligation after the acceptance of goods. There is generally only one performance obligation in a contract. There is no material variable consideration and right of return. Revenue from service is recognised over time using an input method to measure progress towards complete satisfaction of the service.

The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs to provide a faithful depiction of the transfer of those services. Services income of the Group mainly represents service derived from including erection, climbing and dismantling of tower cranes. The services period is, in general, ranging from 1 to 14 days or based on the requirements of the services provided.

5.9 Taxation

Income taxes 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 profit/(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 the 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. 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 that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries 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.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.9 Taxation *(Continued)*

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.

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

Deferred tax 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.

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

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

- (a) the same taxable entity; or
- (b) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.10 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.

Exchange differences arising on the settlement of monetary items, and on the retranslation of 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 operations are translated into the presentation currency of the Group (i.e. HK\$) 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, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve.

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are not recognised in profit or loss.

5.11 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The employees of the Company's subsidiaries which operate in Hong Kong are required to participate in the Mandatory Provident Fund ("MPF") Schemes, for all of its employees who are eligible to participate in the MPF scheme. Contributions are made based on a percentage of the employees' basic salaries.

The employees of the Company's subsidiaries which operate in Singapore are required to participate in the Central Provident Fund ("CPF") Scheme, for all of its employees who are eligible to participate in the CPF scheme. The Group is required to contribute a certain percentage of its payroll costs to the CPF scheme.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.11 Employee benefits *(Continued)*

Retirement benefits *(Continued)*

The employees of the Company's subsidiaries which operate in the People's Republic of China (the "PRC"), excluding Hong Kong Special Administrative Region ("Hong Kong"), Macau and Taiwan, are required to participate in central pension scheme operated by the local municipal governments. The Group is required to contribute certain percentage of its payroll costs to the central pension schemes in the PRC.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when the employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS Accounting Standard requires or permits the inclusion of the benefit in the cost of an asset.

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

Liabilities recognised in respect of short-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS Accounting Standard requires or permits their inclusion in the cost of an asset.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

5.12 Impairment of non-financial assets

At the end of the reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that these assets have suffered an impairment loss:

- Property, plant and equipment under cost model;
- Right-of-use assets;
- Investments in subsidiaries of the Company; and
- Intangible assets.

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).

All assets other than financial assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.12 Impairment of non-financial assets *(Continued)*

The recoverable amount of non-financial assets 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 to which the asset belongs.

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

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 cash-generating unit) for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) 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 cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. 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 or the group of cash-generating units. 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 or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.13 Borrowing costs

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

Any specific borrowing that remain outstanding after the related asset is ready for its intended use or sale is included in the general borrowing pool for calculation of capitalisation rate on general borrowings. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

5.14 Provisions and contingent liabilities

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities

A contingent liability is a present obligation arising from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability and it is not recognised in the consolidated financial statements.

The Group assesses continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the consolidated financial statements in the reporting period in which the change in probability occurs, except in the extremely rare circumstances where no reliable estimate can be made.

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

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.15 Share capital and share premium

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Share premium includes any premiums received on the issuance of share over the par value. Any transaction costs associated with the issuing of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

5.16 Segment reporting

The Group has identified the following reportable segments within each operating segment:

- Hong Kong
- Singapore
- PRC

Each of these operating segments is managed separately as each of the product and service lines requires different resources. All inter-segment transfers are carried out at prices mutually agreed between the parties.

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its consolidated financial statements prepared under HKFRSs, except that:

- Interests on other loans
- Corporate income and expenses which are not directly attributable to the business activities or any operating segment are not included in arriving the operating results of the operating segment.

Segment assets include all assets but exclude corporate assets which are not directly attributable to the business activities of any operating segment and are not allocated to a segment, which primarily applies to the Group's headquarter. Segment liabilities exclude other loans and corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

5. MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

5.17 Related parties

For the purpose of these consolidated financial statements, a related party is a person or entity that is related to the entity that is preparing its financial statements.

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

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the Group's accounting policies, the directors of the Company 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 underlying 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

6.1 Loss allowance for trade receivables

Trade receivables with significant balances and credit-impaired are assessed for ECL individually. In addition, for trade receivables which are individually insignificant or when the Group does not have reasonable and supportable information that is available without undue cost or effort to measure ECL on individual basis, collective assessment is performed by grouping debtors based on the comparable probability of default and recovery rate quoted from international credit-rating agencies. The management of the Group estimates the amount of lifetime ECL of trade receivables based on collective assessment through grouping of various debtors that have similar loss patterns. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables are disclosed in notes 23 and 40(b).

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

6.2 Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment or reversal of impairment for non-financial assets amounting to approximately HK\$383,444,000 as at 31 December 2025 (2024: approximately HK\$364,864,000). Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating units and choose a suitable discount rate in order to calculate the present value to those cash flows. When fair value less costs of disposal calculations are undertaken, the fair value was estimated using relevant valuation technique and make reference to recent market comparative for similar assets adjusted for differences in condition in order to determine the fair value. No impairment loss was made for non-financial assets for the year ended 31 December 2025 and 2024.

7. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision makers ("CODM"), for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

For 'construction equipment business' operation, the information reported to the CODM is further categorised into different retail locations in various geographic locations including Hong Kong, Singapore and PRC, each of which is considered as a separate operating segment by the CODM. For segment reporting, these individual operating segments have been aggregated into a single reportable segment.

Specifically, the Group's reportable segments under HKFRS 8 Operating Segments are as follows:

- a. Construction Equipment Business; and
- b. Property Development Business (discontinued operation)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

(a) Information regarding the Group's reportable segments as provided to the CODM is set out below:

	Continuing operations – Construction Equipment Business				Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000	
Year ended 31 December 2025					
Revenue					
From external customers	103,280	107,611	26,615	–	237,506
From inter segment	10,462	–	–	(10,462)	–
Reportable segment revenue	113,742	107,611	26,615	(10,462)	237,506
Reportable segment profit (loss)	12,087	12,370	(7,925)	(289)	16,243
Interest on other loans					(4,150)
Unallocated corporate expenses					(3,231)
– Corporate staff costs					(2,062)
– Others					
Profit for the year					6,800
	Continuing operations – Construction Equipment Business				Total
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000		HK\$'000
Year ended 31 December 2025					
Other reportable segment information					
Interest income	–	–	1		1
Interest expenses	(3,560)	(3,326)	(410)		(7,296)
Depreciation of non-financial assets	(22,497)	(30,984)	(6,572)		(60,053)
Gain on disposal of property, plant and equipment	674	–	–		674
Income tax credit (expenses)	388	(2,244)	–		(1,856)
Additions to non-current segment assets during the year	30,736	35,766	763		67,265

for the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

- (a) Information regarding the Group's reportable segments as provided to the CODM is set out below:
(Continued)

	Continuing operations – Construction Equipment Business					Discontinued operation – Property Development Business	Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000	
	Year ended 31 December 2024						
Revenue							
From external customers	111,142	90,820	23,152	–	225,114	20,000	245,114
From inter segment	16,376	–	–	(16,376)	–	–	–
Reportable segment revenue	127,518	90,820	23,152	(16,376)	225,114	20,000	245,114
Reportable segment profit (loss)							
Interest on other loans	18,026	5,352	(6,677)	–	16,701	(118,396)	(101,695)
Unallocated corporate expenses							(4,150)
– Corporate staff costs							(4,036)
– Others							(2,635)
Loss for the year							(112,516)

	Continuing operations – Construction Equipment Business					Discontinued operation – Property Development Business	Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Sub-total HK\$'000	Hong Kong HK\$'000		
	Year ended 31 December 2024						
Other reportable segment information							
Interest income	–	–	1	1	–	–	1
Interest expenses	(2,934)	(3,186)	(1,031)	(7,151)	–	–	(7,151)
Depreciation of non-financial assets	(18,672)	(29,615)	(7,200)	(55,487)	–	–	(55,487)
Amortisation of intangible assets	(412)	–	–	(412)	–	–	(412)
Gain on disposal of property, plant and equipment	1,081	–	–	1,081	–	–	1,081
Income tax credit (expenses)	39	(1,489)	–	(1,450)	–	–	(1,450)
Additions to non-current segment assets during the year	65,761	38,324	585	104,670	–	–	104,670

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 5. Segment results represent the results of each segment without allocation of corporate items, including emoluments of certain corporate staff. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

- (a) Information regarding the Group's reportable segments as provided to the CODM is set out below:
(Continued)

	Continuing operations – Construction Equipment Business				Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000	
At 31 December 2025					
Reportable segment assets	217,820	264,771	61,930	(60,035)	484,486
Other unallocated segment assets					372
Total assets					484,858
Reportable segment liabilities	99,945	115,449	109,993	–	325,387
Other loans					83,000
Other unallocated segment liabilities					37,958
Total liabilities					446,345

7. SEGMENT INFORMATION (Continued)

- (a) Information regarding the Group's reportable segments as provided to the CODM is set out below:
(Continued)

	Continuing operations – Construction Equipment Business				Total HK\$'000
	Hong Kong HK\$'000	Singapore HK\$'000	PRC HK\$'000	Inter segment elimination HK\$'000	
At 31 December 2024					
Reportable segment assets	170,351	247,764	58,823	(3,288)	473,650
Other unallocated segment assets					1,089
Total assets					474,739
Reportable segment liabilities	119,335	104,340	106,878	–	330,553
Other loans					83,000
Other unallocated segment liabilities					33,394
Total liabilities					446,947

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments except for certain prepayment, deposits and other receivables and certain cash and cash equivalents; and
- all liabilities are allocated to operating segments except for certain receipt in advance, accruals and other payables and other loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

7. SEGMENT INFORMATION (Continued)

- (b) In the following table, revenue is disaggregated by primary geographical markets of which the external customers from. The table also includes a reconciliation of the disaggregated revenue within the Group's reportable segment.

	For the year ended 31 December					
	Continuing operations – Construction Equipment Business (Note)		Discontinued operation – Property Development Business		Total	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Primary geographical markets						
Hong Kong (place of domicile)	107,137	122,616	–	20,000	107,137	142,616
Singapore	98,452	75,848	–	–	98,452	75,848
PRC	26,615	23,152	–	–	26,615	23,152
United Arab Emirates	4,301	1,567	–	–	4,301	1,567
Korea	513	1,164	–	–	513	1,164
Sri Lanka	465	681	–	–	465	681
France	–	86	–	–	–	86
Australia	23	–	–	–	23	–
Total	237,506	225,114	–	20,000	237,506	245,114

Note: The revenue under Construction Equipment Business is derived from the reportable segments in Hong Kong, Singapore and PRC.

7. SEGMENT INFORMATION *(Continued)*

The following table presents non-current assets (excluding equity instrument at FVTOCI) by location of assets.

Non-current assets

	Hong Kong (domicile) HK\$'000	Singapore HK\$'000	PRC HK\$'000	Total HK\$'000
At 31 December 2025	115,536	227,292	40,616	383,444
At 31 December 2024	106,268	208,882	49,714	364,864

The Group's revenue from external customers for different products and services is set out in note 8.

Information about major customer

During the year ended 31 December 2025, the Group did not have any single external customer contributing 10% or more of its total revenue (2024: 1 external customer contributed 10% or more of the total revenue of the Group).

	2025 HK\$'000	2024 HK\$'000
Customer A	N/A	39,397

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

8. REVENUE

Revenue from the Group's principal activities during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Construction Equipment Business		
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of machinery	4,426	2,694
Sales of spare parts	3,296	2,058
Service income	71,510	64,552
	79,232	69,304
Revenue from other sources:		
Rental income from leasing of owned plant and machinery and right-of-use assets	79,919	88,967
Rental income from subleasing of leased plant and machinery	78,355	66,843
	158,274	155,810
	237,506	225,114

In following table, revenue is disaggregated by timing of revenue recognition under HKFRS 15. The table also includes revenue from other sources and a reconciliation of the disaggregated revenue within the Group's reportable segment.

	For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Construction Equipment Business		
At a point in time	7,722	4,752
Transferred over time	71,510	64,552
	79,232	69,304
Timing of revenue from other sources		
Transferred over time	158,274	155,810
	237,506	225,114

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

119

for the year ended 31 December 2025

9. OTHER INCOME AND GAINS

	2025 HK\$'000	2024 HK\$'000
<u>Continuing operations</u>		
Bank interest income	1	1
Exchange gain, net	5,820	1,325
Compensation received	–	41
Sale of scrap materials	83	780
Gain on disposal of property, plant and equipment	674	1,081
Others	199	12
	6,777	3,240

10. OTHER OPERATING EXPENSES

	2025 HK\$'000	2024 HK\$'000
<u>Continuing operations</u>		
Depreciation of property, plant and equipment:		
– Owned assets	32,206	32,307
– Right-of-use-assets	27,847	23,180
Amortisation of intangible assets	–	412
	60,053	55,899

11. FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
<u>Continuing operations</u>		
Interest charges on financial liabilities stated at amortised cost:		
– Borrowings	553	900
– Other loans	4,150	4,150
– Lease liabilities	6,743	6,251
	11,446	11,301

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

12. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging (crediting):

	2025 HK\$'000	2024 HK\$'000
Continuing operations		
Auditor's remuneration	950	970
Cost of inventories recognised as an expense	4,155	2,002
Amortisation of intangible assets	–	412
Depreciation of property, plant and equipment	32,206	32,307
Depreciation of right-of-use assets	27,847	23,180
Impairment loss recognised on trade receivables, net	2,690	390
Provision for (reversal of provision for) inventories, net	175	(55)
Lease charges in respect of short-term leases	1,267	1,003
Employee costs (including Directors' remuneration ((note 17) (note (i))))		
– Wages, salaries and bonuses	45,333	54,805
– Contribution to defined contribution plans (note (ii))	3,309	3,039
	48,642	57,844
Gain on disposal of property, plant and equipment	(674)	(1,081)
Exchange gain, net	(5,820)	(1,325)

Notes:

- (i) Employee costs (including Directors' remuneration) had been included in cost of sales and services of approximately HK\$10,443,000 (2024: approximately HK\$13,817,000) and administrative expenses of approximately HK\$38,199,000 (2024: approximately HK\$44,027,000).
- (ii) There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

13. INCOME TAX EXPENSE

	2025 HK\$'000	2024 HK\$'000
Current tax		
Over provision in prior years – Hong Kong	(332)	–
Deferred tax (<i>note 31</i>)	2,188	1,450
Total income tax expense	1,856	1,450

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

For subsidiaries of the Group in Singapore, income tax will be provided at the applicable tax rate of 17% on the estimated assessable profits of the respective entities. No such provision was provided as the respective subsidiaries had no assessable profit in the periods and/or the estimated assessable profits of the respective subsidiaries were wholly absorbed by tax losses brought forward from previous years.

For subsidiaries of the Group engaged in construction equipment business in the PRC, no such provision was provided as the respective subsidiaries had no assessable profit for the years ended 31 December 2025 and 2024. The provision for the EIT has been provided at the application tax rate of 25% on the estimated assessable profits of the respective subsidiaries for the years ended 31 December 2025 and 2024.

For subsidiaries of the Group in Hong Kong, under the two-tiered profits tax rates regime, 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%. No such provision was provided as the respective subsidiaries had no assessable profit in the periods and/or the estimated assessable profits of the respective subsidiaries were wholly absorbed by tax loss brought forward from previous years.

A reconciliation of income tax expense and accounting profit at applicable tax rate is as follows:

	2025 HK\$'000	2024 HK\$'000
Profit before income tax	8,656	7,330
Tax calculated at the domestic tax rate of 16.5% (2024: 16.5%) (<i>Note</i>)	1,428	1,209
Tax effect of different tax rates of subsidiaries operating in other jurisdictions	(602)	(597)
Tax effect of expenses not deductible for tax purpose	2,700	2,106
Tax effect of income not taxable for tax purpose	(573)	(534)
Tax effect of tax losses not recognised	2,035	1,698
Over provision in respect of prior years	(332)	–
Utilisation of tax losses previously not recognised	(98)	(489)
Utilisation of tax deductible temporary differences previously not recognised	(2,702)	(1,943)
Income tax expense	1,856	1,450

Note: The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

14. DIVIDEND

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2025 (2024: Nil).

15. DISCONTINUED OPERATION

Disposal of property development business

On 2 July 2024, the Group entered into a sale and purchase agreement with an independent third party for a cash consideration of HK\$20,000,000 to dispose of all of the Group's property development business (the "Disposal Group"). The disposal was completed on 8 July 2024, the date when the control of the Disposal Group was passed to the acquirer.

The loss for the year ended 31 December 2024 from the discontinued property development business is set out below.

	2024 HK\$000
Revenue	20,000
Cost of sales	(20,000)
Gross profit	–
Impairment loss recognised on properties under development	(118,381)
Administrative expenses	(15)
Loss before income tax	(118,396)
Income tax expense	–
Loss for the year from discontinued operation attributable to owners of the Company	(118,396)

15. DISCONTINUED OPERATION *(Continued)*

Cash flows from discontinued operation:

	2024 HK\$000
Net cash used in operating activities	(118)
Net assets of the Property Development Business:	2024 HK\$000
Properties under development	20,000
Other payables	(3,023)
Net assets of the property development business disposed of	16,977
Cash consideration received and net cash inflow from disposal	16,977

16. EARNINGS (LOSS) PER SHARE

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

	2025	2024
Profit		
Profit (loss) for the year attributable to owners of the Company (HK\$'000)	6,800	(112,516)
Less:		
Loss for the year from discontinued operation (HK\$'000)	–	(118,396)
Earnings for the purpose basic earnings per share from continuing operations (HK\$'000)	6,800	5,880
Number of shares		
Weighted average number of ordinary shares	1,060,000,000	1,060,000,000

Diluted earnings per share equals to basic earnings per share, as there were no potential dilutive ordinary shares issued during the year ended 31 December 2025 (2024: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

16. EARNINGS (LOSS) PER SHARE *(Continued)*

From continuing and discontinued operations

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

Earnings (loss) figures are calculated as follows:

	2025 HK cents	2024 HK cents
Earnings (loss) for purpose of basic and diluted earnings (loss) per share	0.64	(10.61)

The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

From discontinued operation

Basic and diluted loss per share for the discontinued operation was HK11.17 cents per share for the year ended 31 December 2024, based on the loss for the year ended 31 December 2024 from the discontinued operation of approximately HK\$118,396,000 and the denominators detailed above for both basic and diluted loss per share.

for the year ended 31 December 2025

17. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

Directors' and chief executive officer's emoluments

For the years ended 31 December 2025 and 2024, the emoluments paid or payable to each director are set out below.

	Directors' fee HK\$'000	Salaries, allowances and other benefits HK\$'000	Discretionary bonuses HK\$'000	Contribution to defined contribution plans HK\$'000	Total HK\$'000
2025					
<i>Executive directors</i>					
Mr. Kwok Ying Shing	–	1,548	–	5	1,553
Ms. Lee Kin Ping Gigi	–	200	–	10	210
Mr. Yu Huiming (Chief executive officer) (Note i)	–	339	–	8	347
Mr. Zheng Wei (Former chief executive officer) (Note ii)	–	809	–	10	819
<i>Independent non-executive directors</i>					
Mr. Li Yongjun	204	–	–	–	204
Mr. Xu Xiaowu	204	–	–	–	204
Mr. Diao Yingfeng	204	–	–	–	204
	612	2,896	–	33	3,541

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

17. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS (Continued)

Directors' and chief executive officer's emoluments (Continued)

	Directors' fee HK\$'000	Salaries, allowances and other benefits HK\$'000	Discretionary bonuses HK\$'000	Contribution to defined contribution plans HK\$'000	Total HK\$'000
2024					
<i>Executive directors</i>					
Mr. Kwok Ying Shing	–	1,459	–	5	1,464
Ms. Lee Kin Ping Gigi	–	200	–	10	210
Mr. Zheng Wei (Former chief executive officer) (Note ii)	–	1,708	–	18	1,726
<i>Independent non-executive directors</i>					
Mr. Li Yongjun	204	–	–	–	204
Mr. Xu Xiaowu	204	–	–	–	204
Mr. Diao Yingfeng	204	–	–	–	204
	612	3,367	–	33	4,012

Notes:

- (i) Mr. Yu Huiming was appointed as an executive director and the chief executive officer of the Company on 18 July 2025.
- (ii) Mr. Zheng Wei resigned as an executive director and the chief executive officer of the Company on 18 July 2025.

Mr. Yu Huiming is the chief executive officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

No emoluments were paid by the Group to any of the directors or chief executive officer of the Company or five highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors nor the chief executive officer waived or agreed to waive any emoluments for both years.

17. DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S EMOLUMENTS AND EMPLOYEES' EMOLUMENTS *(Continued)*

Employees' emoluments

The five highest paid individuals of the Group included one Director (2024: two Directors), details of whose emoluments are set out above. The emoluments of the remaining four (2024: three) highest paid individuals are as follows:

Details of the remuneration of the above highest paid non-director individuals are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other emoluments	4,867	3,629
Discretionary bonuses	268	79
Contribution to defined contribution plans	245	128
	5,380	3,836

The number of the highest paid individuals who are not the directors of the Company whose remuneration fell within the following bands is as follows:

	2025	2024
HK\$1,000,001 to HK\$1,500,000	3	3
HK\$1,500,001 to HK\$2,000,000	1	–

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

18. PROPERTY, PLANT AND EQUIPMENT

	Building HK\$'000	Plant and machinery (Note) HK\$'000	Furniture and fixture HK\$'000	Office and other equipment HK\$'000	Motor vehicles HK\$'000	Leasehold improvements HK\$'000	Total HK\$'000
Cost							
At 1 January 2024	48,697	414,365	2,355	4,153	6,922	6,042	482,534
Currency realignment	(1,413)	(9,169)	-	-	(8)	(172)	(10,762)
Additions	-	34,362	-	48	81	-	34,491
Transfer from inventories	-	726	-	-	-	-	726
Transfer from right-of-use assets	-	14,564	-	-	-	-	14,564
Disposals	-	(23,994)	-	-	(835)	-	(24,829)
At 31 December 2024	47,284	430,854	2,355	4,201	6,160	5,870	496,724
Currency realignment	3,064	15,317	-	62	409	346	19,198
Additions	-	34,391	10	52	548	-	35,001
Transfer from right-of-use assets	-	26,286	-	-	-	-	26,286
Disposals	-	(32,775)	-	-	(95)	-	(32,870)
At 31 December 2025	50,348	474,073	2,365	4,315	7,022	6,216	544,339
Depreciation							
At 1 January 2024	21,301	258,468	2,242	3,743	6,170	2,653	294,577
Currency realignment	(428)	(3,480)	-	-	(1)	(50)	(3,959)
Provided for the year	1,554	29,892	110	243	326	182	32,307
Transfer from right-of-use assets	-	8,032	-	-	-	-	8,032
Eliminated on disposal	-	(21,876)	-	-	(721)	-	(22,597)
At 31 December 2024	22,427	271,036	2,352	3,986	5,774	2,785	308,360
Currency realignment	1,430	9,162	-	181	175	143	11,091
Provided for the year	1,656	30,005	1	63	286	195	32,206
Transfer from right-of-use assets	-	13,034	-	-	-	-	13,034
Eliminated on disposal	-	(32,551)	-	-	(76)	-	(32,627)
At 31 December 2025	25,513	290,686	2,353	4,230	6,159	3,123	332,064
Carrying values							
At 31 December 2025	24,835	183,387	12	85	863	3,093	212,275
At 31 December 2024	24,857	159,818	3	215	386	3,085	188,364

The above items of plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Building	30 years
Leasehold improvements	5 to 30 years
Plant and machinery	5 to 10 years
Furniture and fixture	5 to 6 years
Office and other equipment	2 to 6 years
Motor vehicles	3 to 5 years

Note: The Group entered into several arrangements to lease all plant and machinery included in property, plant and equipment to third parties typically run for an initial period of 1 to 2 years (2024: 1 to 2 years). There are no early termination option, extension option and renewal option in the contract. None of these leases includes variable lease payments. The Group considered that these lease arrangements are operating leases.

for the year ended 31 December 2025

19. RIGHT-OF-USE ASSETS

The Group as lessee

	Building HK\$'000	Office and warehouse HK\$'000	Land HK\$'000	Office equipment HK\$'000	Plant and machinery HK\$'000	Total HK\$'000
As at 31 December 2025						
Carrying amount	106	9,901	7,850	162	153,150	171,169
As at 31 December 2024						
Carrying amount	–	10,204	7,791	45	158,460	176,500
For the year ended 31 December 2025						
Depreciation charge	43	6,721	453	36	20,594	27,847
For the year ended 31 December 2024						
Depreciation charge	–	3,460	425	34	19,261	23,180
					2025 HK\$'000	2024 HK\$'000
Expenses relating to short-term leases					1,267	1,003
Total cash outflow for leases					53,001	53,628

For both years, the Group leases office and warehouse, office equipment and plant and machinery for its operations. The lease term for building, office and warehouse are entered into for fixed term of 1 to 2 years. The lease term for office equipment are entered into for fixed term of 1 to 5 years. The lease term for plant and machinery are entered into for fixed term of 1 to 4 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.

In addition, the Group owns an industrial building in Singapore where its facilities and office in Singapore are primarily located. The Group is the registered owner of this industrial building, including the underlying leasehold land. Lump sum payments were made upfront to acquire this industrial building. The leasehold land component of this industrial building is presented separately as the payments made can be allocated reliably.

None of the leases includes variable lease payments, extension and termination options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

19. RIGHT-OF-USE ASSETS (Continued)

The Group as lessor

The Group leases out all plant and machinery included in right-of-use assets under operating leases. The leases typically run for an initial period of 1 to 2 years (2024: 1 to 2 years). None of the leases includes variable lease payments. The disaggregation of these plant and machinery under operating leases included within right-of-use assets and the reconciliation of the carrying amount at the beginning and end of the period are set out as below:

	Plant and machinery HK\$'000
As at 31 December 2025 Carrying amount	153,150
As at 31 December 2024 Carrying amount	158,460
For the year ended 31 December 2025 Depreciation charge	20,594
For the year ended 31 December 2024 Depreciation charge	19,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

131

for the year ended 31 December 2025

20. INTANGIBLE ASSETS

	Construction licenses HK\$'000
Cost	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	6,037
Amortisation	
At 1 January 2024	5,625
Provided for the year	412
At 31 December 2024, 1 January 2025 and 31 December 2025	6,037
Carrying Values	
At 31 December 2025	–
At 31 December 2024	–

The above intangible assets have finite useful lives. Such intangible assets are amortised on a straight-line basis over 3 years.

21. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2025 HK\$'000
Unlisted – Equity investment (<i>Note</i>)	290

Note:

The above unlisted equity investment represents the Group's equity interest in a private entity established in Hong Kong. The investment was acquired from a fellow subsidiary of the Group, which is held by the Company's ultimately holding company. The Directors have elected to designate these investments in equity instruments as at FVTOCI as they believe that the investment is not held for trading, instead, it is held for long-term strategic purposes and they believe that recognising short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding the investment for long-term purposes and realising its performance potential in the long run.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

22. INVENTORIES AND CONSUMABLES

	2025 HK\$'000	2024 HK\$'000
Cranes and spare parts	22,052	19,337
Less: provision for inventories	(3,084)	(2,909)
	18,968	16,428

Inventories and consumables are expected to be recovered within 12 months as of 31 December 2025 and 2024.

23. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables, gross	76,026	74,432
Less: Loss allowance	(9,852)	(7,162)
Trade receivables, net	66,174	67,270

As at 1 January 2024, trade receivables from contracts with customers amounted to approximately HK\$62,380,000.

The Group's trading terms with its existing customers are mainly on credit. The credit period is, in general, ranging from 0 to 90 days (2024: 0 to 90 days) or based on the terms agreed in the relevant sales and rental agreements.

23. TRADE RECEIVABLES (Continued)

The ageing analysis of trade receivables net of loss allowance as at the reporting date, based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 - 30 days	30,049	35,646
31 - 60 days	4,567	8,600
61 - 90 days	962	3,591
Over 90 days	30,596	19,433
	66,174	67,270

As at 31 December 2025, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK\$58,347,000 (2024: HK\$56,013,000) which are past due as at the reporting date. Included in the past due balances, HK\$34,982,000 has been past due 90 days or more (2024: HK\$22,335,000).

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 40(b).

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Current assets		
Prepayments	4,659	4,039
Deposits	4,934	7,023
Other receivables	393	747
	9,986	11,809

Prepayments, deposits and other receivables are expected to be recovered within 12 months as of 31 December 2025 and 2024.

The Group did not hold any collateral as security or other credit enhancements over the other receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

25. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent bank deposits and cash at bank and in hand.

The Group had cash and cash equivalents denominated in RMB of approximately RMB56,000 (2024: approximately RMB1,226,000) of which the remittance out of the PRC was subject to the exchange control restrictions imposed by the PRC government.

Cash at bank earns interest at floating rates based on daily bank deposits rates as set out in note 40(a). The Group's exposures to foreign currency risk were set out in note 40(c).

26. TRADE PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables	106,958	85,868

The credit period is, in general, 30 to 90 days (2024: 30 to 90 days) or based on the terms agreed in purchase agreements.

The ageing analysis of trade payables as at the reporting date, based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 - 30 days	9,748	8,876
31 - 60 days	9,641	8,882
61 - 90 days	2,032	2,683
Over 90 days	85,537	65,427
	106,958	85,868

for the year ended 31 December 2025

27. RECEIPT IN ADVANCE, ACCRUALS, OTHER PAYABLES AND CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Receipt in advance from customers	72,271	73,041
Accruals (<i>note (i)</i>)	59,065	55,154
Other payables (<i>notes (ii)</i>)	8,716	6,207
	140,052	134,402
Contract liabilities	671	1,624
	140,723	136,026
Current portion	112,560	108,948
Non-current portion	28,163	27,078
	140,723	136,026

As at 1 January 2024, contract liabilities amounted to approximately HK\$248,000.

Notes:

- (i) At 31 December 2025, included in accruals is an amount of approximately HK\$37,025,000 (2024: approximately HK\$32,875,000) which represented accrued interest on other loans payable (note 29).
- (ii) At 31 December 2025, included in other payables is an amount of RMB4,427,000 (equivalent to approximately HK\$4,804,000) (2024: RMB5,068,000 (equivalent to approximately HK\$5,501,000)) which represented provision for value-added tax.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

27. RECEIPT IN ADVANCE, ACCRUALS, OTHER PAYABLES AND CONTRACT LIABILITIES

(Continued)

The Group has recognised the following revenue-related contract liabilities within the scope of HKFRS 15:

	At 31 December 2025 HK\$'000	At 31 December 2024 HK\$'000
Receipt in advance from customers for sales of machinery	671	1,624
Contract liabilities	671	1,624

At 31 December 2025, the amount of consideration received in advance as prepayments from customers for sales of 8 machineries and spare parts (2024: 7 machineries and spare parts) amounting to approximately HK\$671,000 (2024: approximately HK\$1,624,000) are short-term as the respective revenue is expected to be recognised within one year when the goods are delivered to customers.

The following table shows the revenue recognised in the current reporting period related to carried-forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
For the year ended		
Revenue recognised that was included in the contract liabilities at beginning of year		
– Sales of machineries	1,624	248

The Group's contracts usually have duration of one year or less from date of contract inception to date of satisfaction of performance obligation. The Group has applied the practical expedient and therefore does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

for the year ended 31 December 2025

28. BORROWINGS

	2025 HK\$'000	2024 HK\$'000
At amortised cost:		
Bank borrowings	1,896	5,895
Non-bank borrowings	819	11,062
Portion classified as current liabilities	2,715 (2,193)	16,957 (14,277)
Non-current portion	522	2,680

The carrying amounts of the above borrowings are analysed based on contractual repayment date as follows:

	Bank Borrowings		Non-bank Borrowings	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
The carrying amounts of the borrowings are repayable:				
Within one year	1,374	4,000	819	10,277
Within a period of more than one year but not exceeding two years	522	1,426	–	784
Within a period of more than two years but not exceeding five years	–	469	–	1
	1,896	5,895	819	11,062

The borrowings denominated in S\$ bore interest at variable interest rates at 31 December 2024 and 2025. The effective interest rates of the Group's borrowings were set out in note 40(a).

The borrowings denominated in HK\$ bore interest at variable interest rates at 31 December 2024 and 2025. The effective interest rates of the Group's borrowings were set out in note 40(a).

At 31 December 2025, the Group had no bank borrowings secured by its building (2024: net carrying amount of approximately HK\$24,857,000) and property, plant and equipment (2024: net carrying amount of approximately HK\$2,601,000).

At 31 December 2025, the Group's non-bank borrowings were secured by property, plant and equipment with net carrying amount of approximately HK\$8,680,000 (2024: approximately HK\$25,076,000).

The carrying values of the Group's borrowings approximate their fair values.

At 31 December 2025 and 2024, the relevant loan agreements of outstanding bank borrowings did not contain a clause that provided the lender with an unconditional right to demand repayment at any time at its own discretion.

29. OTHER LOANS

Since 2018, the Company has entered into several unsecured other loan agreements with Harbour Luck Investments Limited (“Harbour Luck”), a substantial shareholder of the Company until 29 April 2021. The loans are unsecured and repayable on demand.

On 6 August 2020, Harbour Luck had entered into a supplementary agreement with the Company where Harbour Luck agreed to adjust the annual interest rate from 10% to 5% for the outstanding loan balance of HK\$183,000,000, starting from the date of drawn down, and Harbour Luck agreed to waive HK\$17,537,000 interest payable by the Company as a result of the adjustment of the interest rate. The waived interest payable has been included in the capital reserve of the Company as a deemed contribution from shareholder.

In the opinion of the directors of the Company, the loans were granted to the Company on normal commercial terms to the Company.

30. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	49,619	41,606
Within a period of more than one year but not exceeding two years	30,280	49,539
Within a period of more than two years but not exceeding five years	9,742	13,066
Within a period of more than five years	7,040	7,022
	96,681	111,233
Less: Amount due for settlement within 12 months shown under current liabilities	(49,619)	(41,606)
Amount due for settlement after 12 months shown under non-current liabilities	47,062	69,627

Certain lease liabilities payables bore interest at fixed interest rates with effective interest rates at 31 December 2025 ranged from 2.6% to 5.0% (2024: 3.0% to 5.2%) per annum. The effective interest rates on the Group's lease liabilities as at reporting date were set out in note 40(a).

At 31 December 2025, certain lease liabilities of the Group were secured by machinery of approximately HK\$158,050,000 (2024: approximately HK\$174,791,000) and corporate guarantees executed by the Company and certain subsidiaries.

Lease liabilities are effectively secured by the underlying assets as the rights to the leased assets would be reverted to the lessor in the event of default of repayment by the Group.

31. DEFERRED TAX

The balance on deferred tax liabilities is as follows:

	Deferred tax liabilities attributable to accelerated tax depreciation HK\$'000
As at 1 January 2024	8,623
Charged to profit or loss (<i>Note 13</i>)	1,450
Exchange differences	(256)
As at 31 December 2024	9,817
Charged to profit or loss (<i>Note 13</i>)	2,188
Exchange differences	549
As at 31 December 2025	12,554

Deferred tax asset in respect of tax losses has not been recognised in the consolidated financial statements due to the unpredictability of future profit streams against which the tax losses can be utilised. The tax losses of the subsidiaries operating in Hong Kong amounting to approximately HK\$239,891,000 (2024: approximately HK\$236,986,000), can be carried forward indefinitely under the current tax legislation.

Pursuant to the PRC tax law and its rules and regulations, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to dividend distributions after 31 December 2007.

At 31 December 2025 and 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings of the Group's subsidiaries established in the PRC as in the opinion of the directors of the Company, it is not probable that these subsidiaries will distribute their earnings in the foreseeable future. Accordingly, no deferred tax liabilities have been recognised as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

32. SHARE CAPITAL

	2025		2024	
	Number of Shares '000	Amount HK\$'000	Number of Shares '000	Amount HK\$'000
Authorised:				
Ordinary shares of HK\$0.01 each				
At 1 January, 31 December	200,000,000	2,000,000	200,000,000	2,000,000
Issued and fully paid:				
At 1 January, 31 December	1,060,000	10,600	1,060,000	10,600

33. RESERVES

33.1 Share premium

The share premium is the excess of the proceeds received over the nominal value of the shares of the Company issued at a premium, less expenses incurred in connection with the issue of the shares.

33.2 Statutory reserve

In accordance with the Company Law of the PRC, domestic enterprises in Mainland China are required to transfer 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC, to the statutory surplus reserve until such reserve balance reaches 50% of the registered capital of relevant subsidiaries. During the year, appropriations were made by such subsidiaries to the statutory reserve accordingly.

The statutory reserve can be used to reduce previous years' losses, if any, and may be converted into paid-up capital, provided that the statutory reserve after such conversion is not less than 25% of the registered capital of relevant subsidiaries.

In accordance with relevant regulations issued by the Ministry of Finance of the PRC, a subsidiary of the Group is required to set aside a reserve through appropriations of profit after tax according to a certain ratio of the ending balance of its gross risk-bearing assets to cover potential losses against such assets.

33.3 Merger reserve

The merger reserve of the Group arose as a result of the group reorganisation which was completed on 25 June 2010, represented the difference between (a) the sum of nominal value of the combined capital and share premium of the Group and (b) the nominal value of the share capital of the Company.

33. RESERVES (Continued)

33.4 Capital reserve

The capital reserve represented deemed contribution from the immediate and ultimate holding company as a waiver of loan interest payable (note 29).

33.5 Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. HK\$) are recognised directly in other comprehensive income and accumulated in the translation reserve. Exchange differences accumulated in the translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

33.6 Contributed surplus

Contributed surplus of the Company represented the difference between the net assets value transferred from certain subsidiaries to the Company pursuant to the group reorganisation and the nominal value of share capital and share premium of the Company in prior year.

Group

Details of the movements on the Group's reserve are set out in the consolidated statement of changes in equity.

Company

	Share premium HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
Balance at 1 January 2024	346,824	41,572	17,537	(352,864)	53,069
Loss and total comprehensive expense for the year	–	–	–	(41,942)	(41,942)
Balance at 31 December 2024 and 1 January 2025	346,824	41,572	17,537	(394,806)	11,127
Loss and total comprehensive expense for the year	–	–	–	(9,584)	(9,584)
Balance at 31 December 2025	346,824	41,572	17,537	(404,390)	1,543

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

34. SHARE OPTION SCHEME

At the extraordinary general meeting held on 30 July 2015, the Company has adopted a new share option scheme (the "Share Option Scheme") to replace the old share option scheme adopted on 25 June 2010 (the "Old Scheme") for the purpose of providing incentive and/or reward to eligible participants for their contributions to, and continuing efforts to promote the interest of, the Group. The eligible participants include (a) full time or part time employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Group); (b) any business or joint venture partners, contractors, agents or representatives, consultants, advisers, suppliers, producers or licensors, customers, licensees (including any sublicensee) or distributors, landlords or tenants (including any sub-tenants) of the Group; and (c) any person who, in the sole discretion of the board of directors, has contributed or may contribute to the Group. Further details of the Share Option Scheme are set out in the circular dated 13 July 2015. At 31 December 2025, no option has been granted by the Company under the Share Option Scheme since its adoption (2024: Nil). The Share Option Scheme expired on 30 July 2025.

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2025 HK\$'000	2024 HK\$'000
ASSETS AND LIABILITIES			
Non-current asset			
Investments in subsidiaries		3	6
Current assets			
Amounts due from subsidiaries		253,537	251,421
Prepayments, deposits and other receivables		243	382
Cash and cash equivalents		108	687
		253,888	252,490
Current liabilities			
Amounts due to subsidiaries		121,091	114,375
Receipt in advance, accruals and other payables		37,657	33,394
Other loans	29	83,000	83,000
		241,748	230,769
Net current assets		12,140	21,721
Net assets		12,143	21,727
EQUITY			
Share capital	32	10,600	10,600
Reserves	33	1,543	11,127
Total equity		12,143	21,727

36. INVESTMENTS IN SUBSIDIARIES

At 31 December 2025 and 2024, the particulars of the subsidiaries in which the Company has direct or indirect interests are set out as follows:

Name	Notes	Form of business structure	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Effective interest held by the Company		Principal activities
					2025	2024	
Interests held directly							
Beyond Vision Ventures Limited		Limited liability company	BVI/Hong Kong	100 ordinary shares of US\$1 each	100%	100%	Investment holding
Chief Key Limited		Limited liability company	BVI/Hong Kong	1 ordinary share of US\$1 each	100%	100%	Investment holding
Eagle Legend Investment (Hong Kong) Limited		Limited liability company	Hong Kong	HK\$1	100%	100%	Investment holding
Lucky Boom Investments Limited		Limited liability company	BVI/Hong Kong	1 ordinary share of US\$1 each	100%	100%	Investment holding
Blissful Cypress Limited		Limited liability company	BVI/Hong Kong	100 ordinary share of US\$1 each	100%	100%	Investment holding
Jubilee Path Limited		Limited liability company	BVI/Hong Kong	100 ordinary share of US\$1 each	100%	100%	Investment holding
Soar Cloud Limited		Limited liability company	BVI/Hong Kong	100 ordinary share of US\$1 each	100%	100%	Investment holding
Huacui Limited	(i)	Limited liability company	BVI/Hong Kong	100 ordinary share of US\$1 each	-	100%	Investment holding
Rentai Limited	(i)	Limited liability company	BVI/Hong Kong	100 ordinary share of US\$1 each	-	100%	Investment holding
Sky Cosmic Limited	(i)	Limited liability company	BVI/Hong Kong	100 ordinary shares of US\$1 each	-	100%	Investment holding
Interests held indirectly							
Chief Strategy Limited		Limited liability company	BVI/Hong Kong	300 ordinary shares of US\$1 each	100%	100%	Investment holding
Hover Ascend Limited		Limited liability company	BVI/Hong Kong	1 ordinary share of US\$1 each	100%	100%	Investment holding
Gold Lake Holdings Limited		Limited liability company	BVI/Hong Kong	100 ordinary shares of US\$1 each	100%	100%	Investment holding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

36. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Notes	Form of business structure	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Effective interest held by the Company		Principal activities
					2025	2024	
Interests held indirectly (Continued)							
Manta Engineering and Equipment Company, Limited		Limited liability company	Hong Kong	HK\$24,014,366	100%	100%	Trading in construction machinery and spare parts
Manta Equipment Rental Company Limited		Limited liability company	Hong Kong	HK\$36,094,913	100%	100%	Leasing of construction machinery and provision of repair and maintenance services
Manta Equipment Services Limited		Limited liability company	Hong Kong	HK\$10,875,287	100%	100%	Trading and leasing of construction machinery and provision of repair and maintenance services
Manta Equipment (S) Pte Ltd		Limited liability company	Singapore	10,000,000 ordinary shares of S\$1 each	100%	100%	Trading and leasing of construction machinery and provision of repair and maintenance services
Manta Services (S) Pte Limited		Limited liability company	Singapore	10,000 ordinary shares of S\$1 each	100%	100%	Inactive
Eagle Legend Equipment China Limited		Limited liability company	Hong Kong	HK\$1	100%	100%	Investment Holding
敏達器械工程(深圳)有限公司	(ii)	Limited liability company	PRC	RMB10,000	100%	100%	Trading in construction machinery and spare parts
敏達器械租賃(深圳)有限公司		Limited liability company	PRC	RMB7,880,000	100%	100%	Leasing of construction machinery and provision of repair and maintenance services
敏達器械服務(深圳)有限公司	(ii)	Limited liability company	PRC	RMB10,000	100%	100%	Trading and leasing of construction machinery and provision of repair and maintenance services

for the year ended 31 December 2025

36. INVESTMENTS IN SUBSIDIARIES (Continued)

Name	Notes	Form of business structure	Place of incorporation/ operation	Issued and fully paid share capital/ registered capital	Effective interest held by the Company		Principal activities
					2025	2024	
Interests held indirectly (Continued)							
敏達器械設備安裝(深圳)有限公司		Limited liability company	PRC	RMB8,000,000	100%	100%	Trading and leasing of construction machinery and provision of repair and maintenance services
Great Fortune Asia Pacific Limited		Limited liability company	Hong Kong	HK\$100	100%	100%	Inactive
Kaisa Financial Technology Limited (Formerly known as Kaisa Capital Investment Group Limited)		Limited liability company	Hong Kong	HK\$100	100%	100%	Inactive
Victor-Oasis Holdings Limited		Limited liability company	Hong Kong	HK\$1	100%	100%	Investment holding
Manta Construction Limited		Limited liability company	Hong Kong	HK\$500,000	100%	100%	Trading and sub-contracting of construction projects
Digit Star Limited		Limited liability company	Hong Kong	HK\$100	100%	100%	Inactive
Dragon Harmony Limited	(i)	Limited liability company	Hong Kong	HK\$100	–	100%	Inactive
Fortune Mart Limited	(i)	Limited liability company	Hong Kong	HK\$100	–	100%	Inactive
Agility Achieve Equipment Rental Services Limited		Limited liability company	Kingdom of Saudi Arabia	Saudi Royal 200,000	100%	100%	Inactive

Notes:

- (i) These subsidiaries were derecognised during the year ended 31 December 2025.
- (ii) No paid up share capital as at 31 December 2025 and 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

37. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS

(a) **Significant non-cash transactions are as follows:**

Investing activity

Additions to right-of-use assets of approximately HK\$32,264,000 (2024: approximately HK\$70,179,000) were acquired under lease liabilities during the year ended 31 December 2025.

(b) **Reconciliation of liabilities arising from financing activities:**

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Borrowings HK\$'000 (Note 28)	Other loans HK\$'000 (Note 29)	Accrued interest on other loans, included in accruals HK\$'000 (Note 27)	Lease liabilities HK\$'000 (Note 30)	Total HK\$'000
At 1 January 2025	16,957	83,000	32,875	111,233	244,065
Changes from financing cash flows:					
Repayment of borrowings	(14,242)	-	-	-	(14,242)
Interest element of lease rental paid	-	-	-	(6,743)	(6,743)
Interest paid	(553)	-	-	-	(553)
Capital element of lease rentals paid	-	-	-	(44,991)	(44,991)
Total changes from financing cash flows:	(14,795)	-	-	(51,734)	(66,529)
Exchange adjustments:	-	-	-	1,667	1,667
Other changes:					
Interest arising from lease liabilities	-	-	-	6,743	6,743
Interest arising from borrowings	553	-	-	-	553
Interest arising from other loans	-	-	4,150	-	4,150
Entering into new leases during the year	-	-	-	30,936	30,936
Early termination	-	-	-	(2,164)	(2,164)
Total other changes	553	-	4,150	35,515	40,218
At 31 December 2025	2,715	83,000	37,025	96,681	219,421

37. NOTES SUPPORTING CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Reconciliation of liabilities arising from financing activities: (Continued)

	Borrowings HK\$'000 (Note 28)	Other loans HK\$'000 (Note 29)	Accrued interest on other loans, included in accruals HK\$'000 (Note 27)	Lease liabilities HK\$'000 (Note 30)	Total HK\$'000
At 1 January 2024	42,707	83,000	28,725	90,528	244,960
Changes from financing cash flows:					
Repayment of borrowings	(25,750)	–	–	–	(25,750)
Interest element of lease rental paid	–	–	–	(6,251)	(6,251)
Interest paid	(900)	–	–	–	(900)
Capital element of lease rentals paid	–	–	–	(46,374)	(46,374)
Total changes from financing cash flows:	(26,650)	–	–	(52,625)	(79,275)
Exchange adjustments:	–	–	–	(3,100)	(3,100)
Other changes:					
Interest arising from lease liabilities	–	–	–	6,251	6,251
Interest arising from borrowings	900	–	–	–	900
Interest arising from other loans	–	–	4,150	–	4,150
Entering into new leases during the year	–	–	–	70,179	70,179
Total other changes	900	–	4,150	76,430	81,480
At 31 December 2024	16,957	83,000	32,875	111,233	244,065

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

38. COMMITMENTS

(a) Commitment – as lessor

The Group had future aggregate minimum lease receipts in respect of plant and machinery included in property, plant and equipment and right-of-use assets in the Group under non-cancellable operating leases as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	111,741	141,062
In the second year	54,847	31,518
	166,588	172,580

The Group leases all its plants and machinery under operating leases arrangements which run for an initial period of one to two years. All leases are on a fixed rental basis and do not include contingent rentals. The terms of leases generally require the lessee to pay security deposits.

(b) Commitment – as lessee

The total future minimum lease payments related to short-term leases of the Group in respect of plant and machinery, office and warehouse located in Hong Kong and PRC under operating leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Group		
Within one year	5,775	1,745

(c) Other commitments

	2025 HK\$'000	2024 HK\$'000
Group		
Acquisition of property, plant and equipment – contracted but not provided for	7,308	20,726

39. RELATED PARTY TRANSACTIONS

(a) Significant related party transactions during the year

In addition to those related parties transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had no transaction with its related parties during the year (2024: Nil).

(b) Key management personnel compensation

The remuneration of the directors of the Company and other members of key management during the year was as follows:

	2025 HK\$'000	2024 HK\$'000
Short-term employee benefits	3,508	3,603
Post-employment benefits	33	33
	3,541	3,636

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT

The Group is exposed to a variety of financial risks through its use of financial instruments in its ordinary course of operations. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Directors. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. It identifies ways to access financial markets and monitors the Group's financial risk exposures. Regular reports are provided to the Directors.

(a) Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has bank deposits, cash at bank balances, borrowings, other loans and lease liabilities which bore interests at fixed and floating interest rates. Exposure to interest rate risk exists on those balances subject to floating interest rate when there are unexpected adverse interest rate movements. The Group's policy is to manage its interest rate risk, working within an agreed framework, to ensure that there are no undue exposures to significant interest rate movements and rates are approximately fixed when necessary.

Exposure

The following table details the interest rate profile of the Group's financial instruments at the reporting date:

	Effective interest rate per annum		Carrying amount	
	2025 %	2024 %	2025 HK\$'000	2024 HK\$'000
Variable rate instruments				
Financial assets				
Cash and cash equivalents	0 – 0.3	0 – 0.3	5,996	14,368
			5,996	14,368
Financial liabilities				
Borrowings	4.3 – 5.7	2.9 – 6.3	2,715	16,957
Lease liabilities	2.6 – 5.0	3.0 – 5.2	96,681	111,233
Other loans	5.0	5.0	83,000	83,000
			182,396	211,190
Net exposure			(176,400)	(196,822)

The policies to manage interest rate risk have been followed by the Group consistently throughout the year.

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(a) Interest rate risk *(Continued)*

Sensitivity analysis

The following table illustrates the sensitivity of profit/(loss) after income tax for the year and accumulated losses to a reasonably possible change in interest rates of +1% (2024: +1%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and all other variables are held constant.

	2025 HK\$'000	2024 HK\$'000
Effect on profit/(loss) after income tax for the year and accumulated losses	(776)	(933)

A -1% (2024: -1%) change in interest rates would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

(b) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its business. At 31 December 2025, the five largest trade debtors, in aggregate, contributed approximately HK\$21,128,000 or 31.9% (2024: approximately HK\$23,164,000 or 35.1%) to the Group's total trade receivables, net of loss allowance. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties and customers.

None of the Group's financial assets are secured by collateral or other credit enhancement.

The credit risk for bank deposits and balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

The Group provides for lifetime ECLs for trade receivables based on historical trend. Loss rates are based on actual loss experience and past trends. Where there is a significant deterioration in credit risk or when the receivables are assessed to be credit-impaired, the Group provides for lifetime ECLs. The ECLs also incorporate forward looking information such as forecast of economic conditions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(b) Credit risk (Continued)

Trade receivables (Continued)

As at 31 December 2025, included in the Group's trade receivables balance are trade receivables with aggregate carrying amount of approximately HK\$58,347,000 (2024: approximately HK\$56,013,000) which are past due as at the reporting date. Out of the past due balances (excluding specific debtors which are assessed to be credit-impaired), approximately HK\$34,982,000 (2024: approximately HK\$22,335,000) has been past due 90 days or more (excluding specific debtors which are assessed to be credit-impaired) and is not considered as in default because the Group considers the comparable probability of default and recovery rate quoted from international credit-rating agencies of counterparties to be consistently low.

The following table provides information about the Group's exposure to credit risk and ECLs for trade receivables as at 31 December 2025 and 2024:

	Weighted Average Expected loss rate	Gross carrying amount excluding specific debtors HK\$'000	Loss allowance excluding specific debtors HK\$'000	Carrying amount of specific debtors HK\$'000	Loss allowance of specific debtors HK\$'000	Total loss allowance HK\$'000
2025						
Current (not past due)	5.24%	14,456	757	–	–	757
1-30 days past due	5.10%	17,228	878	296	296	1,174
31-60 days past due	10.12%	5,081	514	295	295	809
61-90 days past due	8.90%	1,056	94	1,250	1,250	1,344
91-120 days past due	10.54%	2,684	283	–	–	283
More than 120 days past due	12.70%	32,298	4,103	1,382	1,382	5,485
		72,803	6,629	3,223	3,223	9,852
2024						
Current (not past due)	3.23%	16,368	529	–	–	529
1-30 days past due	3.66%	20,325	743	49	49	792
31-60 days past due	10.04%	9,560	960	–	–	960
61-90 days past due	5.35%	3,793	203	23	23	226
91-120 days past due	9.38%	2,121	199	28	28	227
More than 120 days past due	12.25%	20,214	2,477	1,951	1,951	4,428
		72,381	5,111	2,051	2,051	7,162

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)***(b) Credit risk** *(Continued)***Other receivables and deposits measured at amortised cost**

The Group provides for 12-month ECLs for all other receivables and deposits at initial recognition. Where there is a significant deterioration in credit risk or when the other receivables and deposits are assessed to be credit-impaired, the Group provides for lifetime ECLs. The ECLs incorporate forward looking information such as forecast of economic conditions and adjusted to reflect probability-weighted forward-looking information, including the default rate where the relevant debtors operates. The Group considers the consistently low comparable probability of default and recovery rate quoted from international credit-rating agencies of counterparties. It is concluded that credit risk inherent in the Group's remaining other receivables and deposits is insignificant. The Group has assessed that the remaining other receivables and deposits do not have a significant increase in credit risk since initial recognition and risk of default is insignificant, therefore the ECLs for these remaining other receivables and deposits were immaterial under the 12-month ECLs. No loss allowance for remaining other receivables and deposits was recognised for the years ended 31 December 2025 (2024: Nil).

(c) Foreign currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group operates internationally and it has major operations in Hong Kong, Singapore and the PRC. Income and expenses of the Group are primarily denominated in HK\$, S\$, United States Dollar ("US\$") and Renminbi ("RMB"). Thus, it is exposed to foreign currency risk from currency exposures.

The Group's sales are mainly denominated in HK\$, S\$, US\$ and RMB while purchases are mainly denominated in HK\$, S\$, US\$ and RMB. US\$ is not the functional currency of the group entities to which these transactions relate.

The Group currently does not have a foreign exchange hedging policy. However, the Group monitors foreign currency exposure and will consider hedging significant foreign exposure should the need arise.

Since HK\$ are pegged to US\$, there is no significant exposure expected on US\$ transactions and balances arising in Hong Kong.

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(c) Foreign currency risk (Continued)

Exposure

Foreign currency denominated financial assets and liabilities, translated into a currency other than the functional currency of the Company and its subsidiaries at the closing rates, are as follows:

	Denominated in RMB HK\$'000
2025	
Other receivables	44
Cash and cash equivalents	15
2024	
Other receivables	44
Cash and cash equivalents	10

Sensitivity analysis

The Directors considered a reasonably possible change of 1% in RMB exchange rates on sensitively analysis would have insignificant impact on the Group's profit before income tax and there would be no impact on the Group's equity.

(d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group is exposed to liquidity risk in respect of settlement of trade and other payables and its financing obligations, and also in respect of its cash flow management. The Group's objective is to maintain an appropriate level of liquid assets and committed lines of funding to meet its liquidity requirements in the short and longer term.

As at 31 December 2025, the Group had net current liabilities of approximately HK\$256,920,000 and accumulated losses of approximately HK\$469,067,000. Besides, the Group's total borrowings comprising borrowings, other loans and associated interest payables amounting to approximately HK\$122,740,000, of which current borrowings amounting to approximately HK\$122,218,000, while its cash and cash equivalents amounting to approximately HK\$5,996,000. The Directors consider that the Group will be able to meet its financial obligations as they fall due for next coming twelve months from 31 December 2025, on the basis that the major shareholder of the Company has issued a letter of financial support to the Company for a period of fifteen months from 31 December 2025 to enable the Group to meet its liabilities as and when they fall due.

for the year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(d) Liquidity risk (Continued)

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major banks and financial institutions to meet its liquidity requirements in the short and longer terms.

The liquidity policies have been followed by the Group since prior years and are considered to have been effective in managing liquidity risks.

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

	On demand	Less than 1 year	Over 1 year but less than 2 years	Over 2 years but less than 5 years	Over 5 years	Total contractual undiscounted cash flow	Total carrying amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
2025							
Financial liabilities							
– Trade payables	-	106,958	-	-	-	106,958	106,958
– Accruals and other payables	67,781	-	-	-	-	67,781	67,781
– Borrowings	-	2,221	529	-	-	2,750	2,715
– Other loans	83,000	-	-	-	-	83,000	83,000
– Lease liabilities	-	52,640	32,010	13,548	9,178	107,376	96,681
	150,781	161,819	32,539	13,548	9,178	367,865	357,135
2024							
Financial liabilities							
– Trade payables	-	85,868	-	-	-	85,868	85,868
– Accruals and other payables	61,361	-	-	-	-	61,361	61,361
– Borrowings	-	14,737	2,211	469	-	17,417	16,957
– Other loans	83,000	-	-	-	-	83,000	83,000
– Lease liabilities	-	49,356	63,700	14,630	-	127,686	111,233
	144,361	149,961	65,911	15,099	-	375,332	358,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT (Continued)

(e) Fair value hierarchy at the end of the reporting period in which they occur

(i) Fair value of the Group's financial asset that are measured at fair value on a recurring basis

Certain of the Group's financial asset is measured at fair value at the end of each reporting period. The following table gives information about how the fair value of the financial asset is determined (in particular, the valuation technique(s) and inputs used).

Financial assets	Fair value as at 31 December		Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Sensitivity of fair value to the inputs
	2025 HK\$'000	2024 HK\$'000				
Equity instruments at FVTOCI						
– Unlisted equity investment	290	–	Level 3	Net asset value	N/A	N/A

During the year ended 31 December 2025, there were no transfers between level 1 and level 2 and no transfer into or out of level 3 for the financial assets. The Group's policy is to recognise transfers between levels of fair value hierarchy at the end of the reporting period in which they occur.

(ii) Reconciliation of Level 3 fair value measurements of financial assets

	Equity instrument at FVTOCI HK\$'000
At 1 January 2024, 31 December 2024 and 1 January 2025	–
Addition	290
At 31 December 2025	290

(iii) Fair value of the Group's financial assets and liabilities carried at other than fair value basis

The fair values of the Group's financial assets and liabilities were not materially different from their carrying amounts because of the immediate or short-term maturity of these financial instruments. The fair values of non-current liabilities were not disclosed because the carrying values were not materially different from the fair value.

40. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENT *(Continued)*

(f) Summary of financial assets and liabilities by category

The categories of financial assets and financial liabilities at the reporting dates are included are as follows:

	2025 HK\$'000	2024 HK\$'000
Financial assets		
At fair value		
– Equity instrument at FVTOCI	290	–
At amortised cost		
– Trade receivables	66,174	67,270
– Other receivables and deposits	5,327	7,770
– Cash and cash equivalents	5,996	14,368
	77,497	89,408
Financial liabilities		
At amortised cost		
– Trade payables	106,958	85,868
– Accruals and other payables	67,781	61,361
– Borrowings	2,715	16,957
– Other loans	83,000	83,000
– Lease liabilities	96,681	111,233
	357,135	358,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2025

41. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, to maintain an optimal capital structure to reduce the cost of capital and to support the Group's stability and growth. The capital structure of the Group consists of net debt and equity attributable to owners of the Company, comprising issued share capital, reserves and accumulated losses. The Group actively and regularly reviews and manages its capital structure, taking into consideration the future capital requirements of the Group, to ensure optimal shareholder returns.

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Total debts are calculated as the sum of carrying amounts of borrowings, other loans and lease liabilities as shown in the consolidated statement of financial position. The Group aims to maintain the gearing ratio at a reasonable level.

	2025 HK\$'000	2024 HK\$'000
Borrowings	2,715	16,957
Other loans	83,000	83,000
Lease liabilities	96,681	111,233
Total debts	182,396	211,190
Total equity	38,513	27,792
Total debts to equity ratio	4.7	7.6

FIVE-YEAR FINANCIAL SUMMARY

159

CONSOLIDATED RESULTS

	For the year ended 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Continuing operations					
Revenue	214,744	200,168	237,700	225,114	237,506
Cost of sales and services	(80,336)	(74,036)	(103,311)	(89,804)	(106,491)
Gross profit	134,408	126,132	134,389	135,310	131,015
Profit before taxation	7,049	5,626	12,520	7,330	8,656
Income tax expense	(3,039)	(447)	(7,123)	(1,450)	(1,856)
Profit for the year from continuing operations	4,010	5,179	5,397	5,880	6,800
Discontinued operations					
Loss for the year from discontinued operations	–	–	(16)	(118,396)	–
Profit/(loss) for the year	4,010	5,179	5,381	(112,516)	6,800
Profit/(loss) for the year and attributable to owners of the Company					
– Continuing operations	4,478	5,179	5,397	5,880	6,800
– Discontinued operation	–	–	(16)	(118,396)	–
Earnings/(loss) per share from continuing and discontinued operation					
– Basic and diluted (HK cents)	0.42	0.49	0.51	(10.61)	0.64
Earnings per share from continuing operations					
– Basic and diluted (HK cents)	0.42	0.49	0.51	0.55	0.64
Loss per share from discontinued operation					
– Basic and diluted (HK cents)	–	–	(0.00)*	(11.17)	–

* The loss per share is rounded to two decimal places.

FIVE-YEAR FINANCIAL SUMMARY

CONSOLIDATED ASSETS AND LIABILITIES

	As at 31 December				2025 HK\$'000
	2021 HK\$'000	2022 HK\$'000	2023 HK\$'000	2024 HK\$'000	
Non-current assets	296,485	297,649	327,941	364,864	383,734
Current assets	253,531	261,897	260,501	109,875	101,124
Current liabilities	(287,186)	(336,024)	(323,434)	(337,745)	(358,044)
Net current liabilities	(33,655)	(74,127)	(62,933)	(227,870)	(256,920)
Total assets less current liabilities	262,830	223,522	265,008	136,994	126,814
Non-current liabilities	(130,594)	(86,423)	(121,840)	(109,202)	(88,301)
Net assets/total equity	132,236	137,099	143,168	27,792	38,513
Total debt to equity ratio	2.0	1.6	1.5	7.6	4.7