



# Smart Globe Holdings Limited

## 竣球控股有限公司

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

Stock Code: 1481



**2025**  
ANNUAL REPORT

# CONTENTS

Corporate Information	2
Financial Highlights	3
Chairman's Statement	4
Management Discussion and Analysis	5
Biographies of Directors and Senior Management	15
Environmental, Social and Governance Report	18
Corporate Governance Report	68
Directors' Report	85
Independent Auditor's Report	95
Consolidated Statement of Profit or Loss and Other Comprehensive Income	100
Consolidated Statement of Financial Position	101
Consolidated Statement of Changes in Equity	103
Consolidated Statement of Cash Flows	104
Notes to the Consolidated Financial Statements	106
Five-Year Financial Summary	172



# CORPORATE INFORMATION

## Board of Directors

### Executive Directors

Mr. NG Ho Lun (*Chairman*)  
Mr. CHU Lok Fung Barry  
Mr. CHEN Kun  
Mr. LAM Tak Ling Derek

### Independent Non-Executive Directors

Dr. WU Ka Chee Davy  
Mr. YIU Ho Chi Stephen  
Ms. LAW Ying Wai Denise

## Audit Committee

Ms. LAW Ying Wai Denise (*Chairperson*)  
Dr. WU Ka Chee Davy  
Mr. YIU Ho Chi Stephen

## Remuneration Committee

Dr. WU Ka Chee Davy (*Chairperson*)  
Mr. CHU Lok Fung Barry  
Mr. YIU Ho Chi Stephen

## Nomination Committee

Mr. NG Ho Lun (*Chairperson*)  
Mr. YIU Ho Chi Stephen  
Ms. LAW Ying Wai Denise

## Company Secretaries

Mr. CHU Lok Fung Barry (*resigned as joint company secretary on 4 September 2025*)  
Mr. CHEN Kun  
Mr. NG Mo Chun (*appointed as joint company secretary on 4 September 2025*)

## Authorised Representatives

Mr. CHU Lok Fung Barry  
Mr. CHEN Kun

## Registered Office

Windward 3  
Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## Cayman Islands Share Registrar and Transfer Office

### Ocorian Trust (Cayman) Limited

Windward 3  
Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## Principal Place of Business in Hong Kong

Suite 5705–10, 57/F, One Island East  
Taikoo Place, 18 Westlands Road  
Quarry Bay  
Hong Kong

## Principal Place of Business in the People's Republic of China ("PRC")

Heyuan Hi-Tech Development Zone  
Heyuan, Guangdong Province  
PRC

## Principal Place of Business in Republic of Zambia

Lot 7, Mufulira (M4 Highway), Kaniki Area,  
Ndola, Copperbelt Province, Zambia

## Hong Kong Share Registrar and Transfer Office

### Tricor Investor Services Limited

17/F, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## Company's Website

<http://www.smartglobehk.com>

## Legal Adviser

Deacons

## Financial Adviser

Asian Capital Limited

## Auditor

### Baker Tilly Hong Kong Limited

Certified Public Accountants  
Registered Public Interest Auditors  
Level 8, K11 ATELIER King's Road  
728 King's Road  
Quarry Bay  
Hong Kong

## Stock code

1481

# FINANCIAL HIGHLIGHTS

	Year ended 31 December		Change %
	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>	
Revenue	<b>204,949</b>	117,587	74.3
– Supply chain management service segment	<b>111,032</b>	9,520	1,066.3
– Printing segment	<b>93,917</b>	108,067	(13.1)
Gross profit	<b>42,394</b>	13,746	208.4
EBITDA/(LBITDA)	<b>31,520</b>	(3,442)	N/A
Profit/(loss) attributable to owners of the Company	<b>7,890</b>	(12,000)	N/A
Basic earnings/(loss) per share (HK cents)	<b>0.77</b>	(1.18)	N/A

- The turnaround in financial performance of the Group for FY2025 was primarily attributable to the Group having succeeded in tapping into the Sub-Saharan Africa market and the demand for the Group's supply chain management service, in particular logistics services, was overwhelming during FY2025.
- Basic earnings per share for FY2025 was approximately HK0.77 cents (FY2024: basic loss per share of approximately HK1.18 cents).
- The Board does not recommend any payment of final dividend for FY2025 (FY2024: nil).

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of Smart Globe Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present to you our annual results of the Group for the year ended 31 December 2025 (“**FY2025**”).

## OPERATING PERFORMANCE

In FY2025, our supply chain management service business generated revenue of HK\$111 million, and became our largest segment in terms of revenue and profits. This magnificent financial performance results from our timely strategic diversification from our printing business in 2024, and the stellar performance of our supply chain management team. Without our team, it is impossible to achieve this level of financial performance within 18 months.

Our supply chain management service business has become our core growth engine. Alongside our growing fleet of trucks, our integrated logistics center in Zambia, adjacent to the Democratic Republic of Congo border, is being developed into a logistics hub that facilitates land transportation between the DRC, Zambia, and Tanzania. To accelerate our expansion in the supply chain management service business, we are actively procuring new strategic investors and partners, aligning with our long-term vision for sustainable growth and value creation through diversified ventures.

In the meantime, our printing business has been struggling in FY2025 due to adverse macroeconomic conditions. Sluggish economic conditions and spiking geopolitical tensions forced our overseas customers to be more price-conscious and maintain a low stockpile, which in turn negatively impacted our printing business financially. Also, the profit margin of our printing business in FY2025 was hit by the appreciation of Renminbi against the United States dollars, which we cannot fully transmit to our customers.

## STRATEGIES AND OUTLOOK

Our strategic priorities for 2026 will be focusing on accelerating supply chain management growth through targeted resource allocation, while optimising our printing operations. We will conduct a comprehensive review of the printing division's strategic fit in light of the persistent industry headwinds, and will responsibly transition our established printing business to a sustainable, optimized scale by any means necessary for the purpose of maximising the return to the Company's shareholders.

On behalf of the Board, I would like to extend my heartfelt gratitude to the Group's management and employees. Their professionalism, dedication, and commitment to excellence are the foundation of our Group's continuing success. I would like to also extend my deepest appreciation to our valued shareholders, business partners, suppliers, and customers for their trust and support, and to the Board members for their unwavering commitment and guidance. We will remain committed to creating long-term value for our shareholders in return for the unwavering support and trust in us.

Yours faithfully,  
**Mr. NG Ho Lun**  
*Chairman*  
**Smart Globe Holdings Limited**

26 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

The board of (the “**Board**”) directors of Smart Globe Holdings Limited (the “**Company**”) (the “**Director**”) hereby presents the Company’s annual results for the year ended 31 December 2025 (“**FY2025**”), together with the comparative figures for the year ended 31 December 2024 (“**FY2024**”).

## Business Review

The Company and its subsidiaries (the “**Group**”) is principally engaged in (i) supply chain management service business; and (ii) printing business.

### Supply Chain Management Service Segment

During FY2025, the Group’s supply chain management service segment experienced exponential growth. It has emerged as one of the Group’s principal activities and has contributed approximately 54.2% of the Group’s revenue during FY2025.

The aforementioned growth of the Group’s supply chain management service segment resulted from overwhelming demand for its services from commodity traders, mine owners, smelters and leaching plants in the Sub-Saharan Africa region. In order to meet these demands, in addition to utilising the Group’s leased and self-owned trucking fleets, the Group also collaborated with local strategic fleet partners to provide flexibility in fleet management.

In January 2025, the Group acquired two parcel of land (the “**Land**”) in the Republic of Zambia (“**Zambia**”) near the border of Democratic Republic of Congo (“**DRC**”) and commenced construction of the warehouse building as part of its logistics center during FY2025. In July 2025, the Group entered into a services agreement with COSCO SHIPPING Africa (Pty) Ltd (“**COSCO SHIPPING Africa**”) and a bonded warehouse was subsequently constructed and became fully operational since September 2025.

In October 2025, the Group entered into a sales and purchase contract to acquire 50 tractor trucks and 50 40-foot 3-axle semi-trailers to strengthen its supply chain management capabilities.

In November 2025, the Group leased a portion of the Land to Harmony Prosper Zambia Limited (the “**Lessee**”), an independent third party, to generate stable rental income, while retaining a contingent acquisition arrangement to expand its warehouse and production facilities upon expiry of the lease.

### Printing Segment

The printing segment of the Group specialises in printing of books, novelty and packaging products, offering an extensive suite of services that encompasses the entire printing process, from pre-press to finishing and producing customised value-added printing products. Due to the difficulties and challenges encountered by the Group from the fierce market and keen competition, the Group recorded a decrease of revenue in its printing business by approximately 13.1% to approximately HK\$93.9 million for FY2025 from approximately HK\$108.1 million for FY2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Financial Review

#### Revenue

The following table sets forth the Group's revenue by business segments for the years indicated:

	Year ended 31 December		Proportion of total revenue	
	2025 HK\$'000	2024 HK\$'000	2025	2024
Supply chain management service segment	<b>111,032</b>	9,520	<b>54.2%</b>	8.1%
Printing segment	<b>93,917</b>	108,067	<b>45.8%</b>	91.9%
Total	<b>204,949</b>	117,587	<b>100.0%</b>	100.0%

During FY2025, revenue generated by supply chain management service segment and the printing segment accounted for approximately 54.2% and approximately 45.8% of total revenue of the Group, respectively. The increase in revenue was mainly attributable to the significant increase in revenue from the supply chain management service segment (in particular the logistics services) resulted from the overwhelming demand during FY2025.

#### Gross profit and gross profit margin

The following table sets forth the Group's gross profit and gross profit margin by business segments for the years indicated:

	Gross profit For the year ended 31 December		Gross profit margin For the year ended 31 December	
	2025 HK\$'000	2024 HK\$'000	2025	2024
Supply chain management service segment	<b>33,075</b>	617	<b>29.8%</b>	6.5%
Printing segment	<b>9,319</b>	13,129	<b>9.9%</b>	12.1%
Total	<b>42,394</b>	13,746	<b>20.7%</b>	11.7%

For FY2025, the Group's gross profit amounted to approximately HK\$42.4 million, representing a significant increase of approximately 208.4% as compared to the gross profit of approximately HK\$13.7 million in FY2024. Such increase was primarily attributable to the Group having succeeded in tapping into the Sub-Saharan Africa market and the demand for the Group's supply chain management service, in particular logistics services, was overwhelming during FY2025.

### ***Other income/other gains and losses***

Other income increased by approximately HK\$3.0 million to approximately HK\$5.6 million in FY2025 from approximately HK\$2.6 million in FY2024, mainly due to increase in net income from logistics surcharge in FY2025 as compared with FY2024.

Other gains and losses decreased slightly by approximately HK\$0.3 million from gain of approximately HK\$1.3 million for FY2024 to gain of approximately HK\$1.0 million for FY2025, mainly due to the decrease in net exchange gain in FY2025 by approximately HK\$0.7 million.

### ***Selling and distribution costs***

Selling and distribution costs remained relatively stable with a slight decrease from approximately HK\$6.0 million in FY2024 to approximately HK\$4.8 million in FY2025 mainly due to the decrease in transportation and freight charges and other marketing expense in FY2025.

### ***Administrative expenses***

Administrative expenses remained relatively stable with a slight increase from approximately HK\$23.2 million in FY2024 to approximately HK\$23.4 million in FY2025.

### ***Tax expenses***

The Group recorded tax expenses of approximately HK\$6.8 million for FY2025 (FY2024: nil) as the Group generated assessable profit during FY2025.

### ***Profit for the year***

As a result of the above factors, the Group recorded a profit of approximately HK\$13.0 million for FY2025 (FY2024: loss of approximately HK\$12.0 million).

The above financial data were chosen to be presented in this report as they represent a material financial impact on the financial statements of the Group for FY2025. The Board believes that by presenting the changes of these financial data, they can effectively explain the financial performance of the Group for FY2025.

## **FINAL DIVIDEND**

The Board does not recommend any payment of final dividend for FY2025 (FY2024: nil). The Board confirms that all dividend decisions were made in accordance with the Company's dividend policy.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

The Group's supply chain management service segment, focusing on Sub-Saharan Africa, is entering into a rapid growth stage supported by substantial infrastructure development and strategic partnerships. After acquiring the Land in Zambia near the DRC border in January 2025, the Group has actively broadened its sources of income and strengthened its local presence in Sub-Saharan Africa by, among other things, (i) enhancing strategic cooperation with COSCO SHIPPING Africa by signing the services agreement in July 2025, following the signing of a memorandum of understanding in November 2024; (ii) acquiring 50 tractor trucks and 50 40-foot 3-axle semi trailers in October 2025 to strengthen its supply chain management capabilities; and (iii) leasing a portion of the Land to Lessee in November 2025, while retaining a contingent acquisition arrangement to expand its warehouse and production facilities at the end of the lease term. Furthermore, the Group has made significant progress in constructing its comprehensive logistics center during the year. This facility will include warehouses, truck parking area, and vehicle maintenance areas designed to serve as a regional logistics gateway facilitating cross-border trades. The strategic location near key trade borders is expected to increase customs clearance efficiency and reduce logistics costs, attract collaboration with both international and local logistics partners. It is expected that following completion of the development of the logistics center, the supply chain management service segment of the Group shall include provision of material sourcing, logistics service and warehousing service.

Looking toward 2026 and beyond, the Group anticipates that, upon achieving full operational capacity of its logistics center and progressively implementing additional strategic collaborations with business partners, the supply chain management services segment will solidify its position as the core engine driving the Group's revenue growth and profitability. Meanwhile, recognising the structural headwinds faced by the traditional printing industry (including rapid digital transformation, intensifying global competition, and margin compression), the Group's strategic focus for 2026 will be firmly directed toward advancing the deep development and large-scale expansion of its supply chain management services business. To this end, the Group has formulated three core strategic pillars to drive sustainable growth and market leadership.

- 1. Enhancement of operational capacity and asset upgrades:** While continuing to prioritise the development of its logistics center, the Group plans to expand its logistics capacity by, among other things, acquiring and/or leasing additional transportation vehicles to strengthen its truck fleet in order to support the development of new routes and the anticipated growth in business volume.
- 2. Acceleration of network expansion:** The Group is pursuing the active development of new strategic logistics and transportation corridors across the African continent, with a focus on establishing a robust cross-border network anchored by the Zambian logistics hub and extending into neighboring markets. This initiative is expected to substantially expand the Group's operational footprint across Sub-Saharan Africa, strengthening its competitive position and consolidating its presence within the region's rapidly growing yet highly fragmented logistics sector.
- 3. Optimisation of capital structure for growth:** To successfully deliver on its expansion and development agenda, the Group plans to diversify its capital structure by introducing strategic industrial investors and, in parallel, actively pursuing additional financing options, including debt instruments, in the near term.

## MANAGEMENT DISCUSSION AND ANALYSIS

Building on the strong performance of the Group's supply chain management services segment in FY2025, the Board believes that adopting an integrated business strategy by combining the continued expansion of the supply chain management services segment with the optimisation of the printing segment serves the best interests of both shareholders of the Company (the "Shareholders") and the Group in the long run. This strategic alignment is expected to mitigate overall business risk and enhance the Group's resilience and adaptability amid evolving market conditions and global uncertainties. The Group maintains a disciplined and prudent financial management framework in its treasury operations and, as a result, maintains a sound liquidity position throughout FY2025. Management actively manages liquidity risk by continuously monitoring the Group's liquidity profile and ensuring that sufficient cash and cash equivalents are available to support operational and financial commitments. In addition, management regularly reviews and maintains an appropriate level of committed credit facilities to ensure the continued availability of funding and the Group's ability to discharge its payables as they fall due.

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group generally finances its operations with its internally generated cash flows and cash reserves. The Group is financially sound with healthy cash position. The Group's cash and cash equivalents as at 31 December 2025 amounted to approximately HK\$87.9 million (as at 31 December 2024: approximately HK\$55.3 million).

	31 December 2025	31 December 2024
Current ratio	1.9	4.3
Gearing ratio	16.7%	7.1%

The Group's current ratio, which was calculated as current assets divided by current liabilities as at the relevant reporting date, stood at approximately 1.9 as at 31 December 2025 (as at 31 December 2024: approximately 4.3). The Group's gearing ratio, which was calculated as total interest-bearing liabilities divided by owner's equity as at the relevant reporting date, was approximately 16.7% as at 31 December 2025 (as at 31 December 2024: approximately 7.1%).

The capital structure of the Group consists of debts, which mainly include convertible bonds and equity reserves attributable to owners of the Company which comprises issued ordinary Shares and various reserves. The Board shall review the Group's cost and risks of capital on a regular basis with the aim to achieve the optimal capital structure for the Group.

### TREASURY POLICIES

The Group has continued to adopt a prudent and disciplined approach to financial management and treasury operations, thereby ensuring the maintenance of a sound and stable liquidity position throughout FY2025. In managing liquidity risk, the management conducts ongoing monitoring of the Group's liquidity profile and ensures that sufficient cash and cash equivalents are maintained at all times. In addition, the management reviews and oversees the Group's funding resources by maintaining an appropriate level of committed credit facilities, with a view to safeguarding the Group's ability to fulfil its financial obligations as and when they fall due.

## MANAGEMENT DISCUSSION AND ANALYSIS

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

As its revenue is mainly denominated in United States dollars (“**US\$**”) and/or Hong Kong dollars (“**HK\$**”), and HK\$ is pegged to US\$, the Group’s exposure to fluctuations in exchange rate in relation to the Group’s revenue is relatively low.

The Group is exposed to foreign exchange risks in respect of the exchange differences arising from translation between HK\$ and Renminbi (“**RMB**”) as the Group’s production for printing segment is mainly in the People’s Republic of China (“**PRC**”). The appreciation of RMB may lead to an increase of the Group’s cost of production.

In addition, following the latest changes to the regulatory requirements in Zambia, all domestic transactions of the Group’s subsidiaries in Zambia must be settled in Zambian Kwacha (“**ZMW**”). While the transactions of the Group’s subsidiaries in Zambia are mostly denominated in US\$, the Group is exposed to foreign exchange risks in respect of the exchange differences arising from translation between ZMW and US\$ for domestic expenditures in Zambia. The appreciation of ZMW may lead to an increase of our operating costs in Zambia.

Given that the financial statements of the Group’s subsidiaries in Zambia are presented in US\$ (which is pegged to HK\$), the Group’s exposure to fluctuations in exchange rate from translation between US\$ and HK\$ is limited.

During FY2025, the Group has neither entered into any financial instrument for hedging purposes nor other hedging instruments to hedge against foreign exchange rate risks. The Group will keep reviewing and monitoring the exchange fluctuation between RMB and HK\$ and between ZMW and US\$, and will consider entering into hedging arrangement as and when appropriate.

### CAPITAL EXPENDITURE, CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

During FY2025, the Group acquired property, plant and equipment amounting to approximately HK\$26.7 million.

During FY2025, the Group acquired right-of-use assets amounting to approximately HK\$28.5 million because it (i) entered into a lease agreement for an office in Hong Kong; and (ii) entered into two lease agreements for the use of leasehold land located in Zambia with the Zambian government.

As at 31 December 2025, the Group has capital commitment, which are authorised and contracted but not provided for, in respect of acquisition of property, plant and equipment amounting to approximately HK\$16.3 million. Furthermore, the Group has no material contingent liabilities as at 31 December 2025.

### INVESTMENT PROPERTIES

References are made to the announcements of the Company dated 26 November 2024 and 3 January 2025. On 26 November 2024, Tera Logistics Limited (“**Tera Logistics**” as purchaser), an indirect wholly owned subsidiary of the Company, Heng Qu Investment Zambia Limited (“**Heng Qu**” as vendor) and Mr. Du Chungqing (“**Mr. Du**” as guarantor of Heng Qu) entered into the sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which (i) Tera Logistics has conditionally agreed to purchase, and Heng Qu has conditionally agreed to sell the Land, at an aggregate consideration of US\$3,500,000 (equivalent to approximately HK\$27.1 million); and (ii) Mr. Du (as guarantor) has agreed to guarantee the performance of the obligations of Heng Qu under the Sale and Purchase Agreement.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 31 October 2025, the Group entered into a lease agreement (the “**Lease Agreement**”) with Lessee, pursuant to which the Group leased out a portion of the areas within the Land to the Lessee for a term of 4 years and 11 months to generate rental income. The corresponding portion of right-of-use assets was reclassified as investment property for rental purpose.

In addition, pursuant to the Lease Agreement, the Group has a contingent obligation to acquire the buildings constructed by the Lessee on the Land upon expiry of the lease term, at a maximum consideration of US\$6,000,000.

For further details, please refer to the announcement of the Company dated 31 October 2025.

### SIGNIFICANT INVESTMENTS/MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

On 26 November 2024, Huge Cheer Limited (“**Huge Cheer**”), an indirect wholly owned subsidiary of the Company (as issuer), DCQ Holdings Limited (“**DCQ**” as subscriber) and Mr. Du (as guarantor of DCQ) entered into the share subscription agreement (the “**Share Subscription Agreement**”), pursuant to which (i) Huge Cheer has conditionally agreed to allot and issue, and DCQ has conditionally agreed to subscribe for, 2,500 shares in Huge Cheer (the “**Subscription Shares**”) at the subscription price of HK\$2,170 per Subscription Share, representing 20% of the issued shares of Huge Cheer as enlarged by the Subscription Shares, at a total consideration of HK\$5,425,000 in cash (the “**Huge Cheer Share Subscription**”); and (ii) Mr. Du (as guarantor) has agreed to guarantee the performance of the obligations of DCQ under the Share Subscription Agreement. Upon completion of the allotment and issuance of the Subscription Shares, the Group’s shareholding interest in Huge Cheer will be decreased from 100% to 80%, which constitutes a deemed disposal of the Company under Rule 14.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). On 3 January 2025, the acquisition of the Land and the Huge Cheer Share Subscription were completed. For further details, please refer to the announcements of the Group dated 26 November 2024 and 3 January 2025.

Save as disclosed herein, during FY2025, the Group did not make any material acquisitions and disposals of subsidiaries, associates, joint ventures, significant investments nor capital commitment.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

The Group will continue to expand its own truck fleet and further develop its logistics center, as and when appropriate. The Group expects that internal financial resources and additional financing will be sufficient to meet the necessary funding requirements.

Saved as disclosed in this report, as of the date of this report, the Group does not have other plans for material investments or purchase of capital assets.

### CHARGE ON GROUP’S ASSETS

The Group did not have any charges on assets as at 31 December 2025 (as at 31 December 2024: nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### EMPLOYEES' INFORMATION AND EMOLUMENT POLICIES

Our employees are based in Hong Kong, Heyuan, Guangdong Province, the PRC and Zambia. As at 31 December 2025, there were 345 (as at 31 December 2024: 438) employees in the Group. The total staff costs, including directors' emoluments, amounted to approximately HK\$38.8 million for FY2025 (FY2024: approximately HK\$38.5 million). Staff remuneration packages are determined with reference to market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

The workers are mainly based at our production site located at Heyuan Hi-Tech Development Zone, Heyuan, Guangdong Province, the PRC (the "**Heyuan Factory**"). As at 31 December 2025, there were 273 (as at 31 December 2024: 406) employees in the Heyuan Factory.

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

On 26 November 2024, the Company entered into, among others, the convertible bonds subscription agreement with DCQ and Mr. Du, pursuant to which the Company has conditionally agreed to issue, and DCQ has conditionally agreed to subscribe for, the convertible bonds in the principal amount of HK\$20,100,000 (the "**Convertible Bonds**"). The Convertible Bonds were subsequently issued on 3 January 2025 under the general mandate granted in the annual general meeting held on 27 May 2024 (the "**CB Subscription**"). The Convertible Bonds may be converted into a maximum number of 16,750,000 shares of the Company (of nominal value of HK\$0.01 each) at a conversion price of HK\$1.2 per share. The conversion period shall commence on 3 July 2026 and end on 3 January 2028. The maturity date shall be three years from the date of issue, i.e. 3 January 2028. As at the date of this report, none of the Convertible Bonds has been converted.

The aggregate gross and net proceeds from the CB Subscription was HK\$20.1 million. The Company intends to utilise the proceeds from the CB Subscription as funding for general working capital for its supply chain management service business (including further expansion of its logistics fleet and development of own logistics center on the Land). The subscriber of the Convertible Bonds is DCQ, a company incorporated under the laws of the British Virgin Islands (the "**BVI**") and is wholly owned by Mr. Du. DCQ is principally engaged in investment holding. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, DCQ and Mr. Du are third parties independent of and not connected with the Company and its connected person. For details of the CB Subscription, please refer to the announcements of the Company dated 26 November 2024 and 3 January 2025. As at the date of this report, the entire amount of the net proceeds from the CB Subscription remained unutilised and is expected to be utilised on or before 31 December 2026.

The shares to be issued upon conversion of the Convertible Bonds will be issued under the general mandate granted in the annual general meeting held on 27 May 2024.

Apart from the Company's issue of the Convertible Bonds as disclosed above, there was no subsisting options convertible to securities of the Company. Neither the Company nor any of its subsidiaries had purchased, sold, or redeemed any of the securities of the Company during FY2025 and up to the date of this report.

### USE OF PROCEEDS IN RELATION TO THE 2022 PLACING

References are made to the announcements of the Company respectively dated 15 July 2022, 5 August 2022, 15 August 2022, 12 October 2022, 30 November 2022, 31 January 2023, 31 March 2023, 5 July 2023 and 26 November 2024.

On 15 July 2022, the Company entered into a subscription agreement (the “**Subscription Agreement**”) with the Hubei Kang Shi Zhen Yi Yao Technology Co., Ltd.\* (湖北康時珍醫藥科技有限公司) (the “**Target Company**”), pursuant to which the Company has conditionally agreed to subscribe for 30% enlarged registered capital in the Target Company upon the completion, at the subscription price of HK\$30,000,000 (the “**Subscription**”). The completion of the Subscription is conditional upon, among other things, the Company having completed its due diligence investigation on the Target Company and in its absolute discretion satisfied with the results thereof. For further details, please refer to the announcement of the Company dated 15 July 2022.

On 5 August 2022, an aggregate of 20,000,000 placing shares of the Company were placed to an independent third party at the placing price of HK\$1.05 per placing share, raising net proceeds of approximately HK\$20.7 million for the purpose of the pharmaceutical related projects’ investment (the “**2022 Placing**”).

On 15 August 2022, the Company entered into a supplemental deed with the Target Company to advance an amount in RMB equivalent to HK\$7,000,000 at an interest rate of 5% per annum to the Target Company for the purpose of the Target Company’s operation and future expansion plan (the “**Advancement**”). Upon satisfaction of waiver of the conditions precedent as stated in the Subscription Agreement, the Advancement will form part of the Subscription consideration. To secure the Advancement made by the Company to the Target Company, the Company requested Fuyou Pharmaceutical Technology (Suzhou) Co., Ltd (“**Fuyou Pharmaceutical**”, being substantial shareholder of the Target Company) to pledge its 10% equity interests in the Target Company in favour of the Company (or its nominee).

Due to the prolonged due diligence investigation process, the Company decided to cease to proceed with the Subscription and entered into a deed of assignment and novation with the Target Company, Riverton Holdings Limited (“**Riverton**”), CP Printing (Heyuan) Limited\* (同利紙製品(河源)有限公司) (“**Tong Li**”, being an indirect wholly-owned subsidiary of the Company) and Fuyou Pharmaceutical on 5 July 2023, whereby, among other things, (i) the Company and Tong Li assigned and transferred all their right, title, benefit, interest, property, claim, demand, covenants, undertakings, obligations and liabilities in the agreement to Riverton and (ii) Fuyou Pharmaceutical release and discharge Tong Li from all its obligations and liabilities under the share pledge agreement dated 15 August 2022 entered into between Tong Li and Fuyou Pharmaceutical, for a consideration of HK\$7,000,000 to recover the Advancement for the Group’s continued development of its core business activities.

\* For identification purpose only.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 26 November 2024, the Group entered into, amongst others, the Sale and Purchase Agreement and a memorandum of understanding to seize the potential business opportunity in the logistics industry in Sub-Saharan Africa. As a result, the Group expected to incur substantial upfront costs at the early stage of this investment opportunity arising from, among other things, the purchase of the Land. Given that the Group had yet to identify any pharmaceutical related projects that are worth investing in, on 26 November 2024, the Board resolved to change the use of the net proceeds from the 2022 Placing. For further details, please refer to the announcement of the Company dated 26 November 2024. As of the date of this report, the net proceeds of HK\$20.7 million (including the recovered Advancement) have been fully utilised as part of the consideration for the acquisition of the Land.

Details of the net proceeds allocations and remaining balance up to the date of this report are set out as below:

	<b>Allocation of the net proceeds as at 1 January 2025</b>	<b>Revised allocation of unutilised net proceeds</b>	<b>Amount utilised during FY2025</b>	<b>Remaining balance as at the date of this report</b>
	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>	<i>Approximately HK\$' million</i>
<b>Intended use of proceeds:</b>				
- Pharmaceutical related projects	13.7	-	-	-
- Core business activities	7.0	-	-	-
- Acquisition of the Land in Zambia (approximately 76.3% of the total consideration)	-	20.7	20.7 <sup>Note</sup>	-
Total	20.7	20.7	20.7	-

*Note: On 3 January 2025, the net proceeds of HK\$20.7 million have been fully utilised.*

## EVENTS SUBSEQUENT TO END OF THE REPORTING PERIOD

There were no significant events subsequent to 31 December 2025 which would materially affect the Group's operating and financial performance as of the date of this report.

# BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

## Executive Directors

### **Mr. NG Ho Lun (吳浩麟)**

Mr. Ng, aged 33, was appointed as an executive Director, chairman of the Board since 7 July 2023. Mr. Ng resigned as the chief executive officer of the company on 22 May 2025. Mr. Ng is the founder, director and chief executive officer of Huachin Mining Limited since August 2017, and primarily responsible for setting strategic goals and development direction of the company. He graduated from the University of Southern California in Los Angeles with a bachelor degree majoring in Business Finance and minor in Economics in 2016. Mr. Ng is deemed to have interest in 750,000,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), representing approximately 73.53% of the issued shares of Company. Mr. Ng is a director of TeraMetal Holdings Limited (“TeraMetal”) which is wholly-owned by Mr. Ng and the controlling shareholder of the Company.

### **Mr. CHU Lok Fung Barry (朱樂峰)**

Mr. Chu, aged 55, was appointed as an executive Director, authorised representative and process agent of the Company since 7 July 2023 and was appointed as the Chief Executive Officer of the Company on 22 May 2025. Since April 2020, Mr. Chu has been the financial controller and company secretary of Huachin Mining Limited, and primarily responsible for the strategic planning and general management of the finance and accounting functions. Mr. Chu is a director of TeraMetal which is the controlling shareholder of the Company.

Mr. Chu has over 28 years of experience in strategic and general management, compliance, auditing, financial and accounting. Mr. Chu was appointed as the Company Secretary and Financial Controller of CAA Resources Limited (now known as Grace Life-tech Holdings Limited, stock code: 2112.HK) from April 2013 to January 2020. From March 2010 to October 2012, he served as the Assistant Controller of Winson Oil International (HK) Limited. From September 2003 to February 2010, Mr. Chu served as the Group Chief Accountant of Come Sure Group (Holdings) Limited (stock code: 794.HK). From May 1997 to July 2001 and from March 2002 to March 2003, Mr. Chu worked in the audit departments of two international accounting firms in Hong Kong, responsible for various statutory and special audit works. From March 1996 to May 1997, Mr. Chu served as a management trainee at Midas International Limited (now known as Magnus Concordia Group Limited, stock code: 1172.HK), responsible for preparing group budgets and management reports.

Mr. Chu obtained a Master of Arts in Chinese Historical Studies from The University of Hong Kong in 2021. He also obtained a Master of Economics from The University of Hong Kong in 2015, a Master of Arts in Philosophy from The Chinese University of Hong Kong in 2011, a Master of Science in Accountancy from The Hong Kong Polytechnic University in 2007, and a Bachelor of Business from Monash University in Australia in 1995. He has been a fellow member of the Hong Kong Institute of Certified Public Accountants since February 2009 and a certified practicing accountant of the CPA Australia since October 1999.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### **Mr. CHEN Kun (陳坤)**

Mr. Chen, aged 41, was appointed as an executive Director, joint company secretary, authorised representative and process agent of the Company on 7 July 2023. His primary responsibilities are corporate governance matters of the Group. He has more than 14 years of experience in the legal industry. Subsequent to his admission as a solicitor of the High Court of Hong Kong in November 2011, he worked as assistant solicitor with law firms in Hong Kong from November 2011 to May 2019. He became a partner of Jimmie K. S. Wong & Partners (now known as CCW Lawyers, a Hong Kong law firm) since June 2019 and a partner of JT&N (Hong Kong) (a Hong Kong law firm) since July 2025. He is currently the company secretary of BGMC International Limited (stock code: 1693.HK), Grace Life-tech Holdings Limited (stock code: 2112.HK), Changjiu Holdings Limited (stock code: 6959.HK) and Prosperous Printing Company Limited (stock code: 8385.HK). Mr. Chen received his Bachelor of Laws degree in 2008 and the Postgraduate Certificate in Laws in 2009 from The University of Hong Kong.

### **Mr. Lam Tak Ling Derek (林德凌)**

Mr. Lam, aged 55, was appointed as an executive Director on 5 May 2017. Mr. Lam is primarily responsible for overall strategic planning and overseeing the general management of the Group. Mr. Lam has more than 20 years of experience in the printing industry. During the period from July 1994 to July 2012, he worked in a company principally engaged in the printing of books, as a sales director. He joined the Group as a sales and marketing manager in August 2012 and has been a sales director of CP Printing since August 2014.

## **Independent non-executive Directors**

### **Dr. WU Ka Chee Davy (胡家慈博士)**

Dr. Wu, aged 57, was appointed as an independent non-executive Director on 7 July 2023.

Dr. Wu has been a senior lecturer of the Department of Accountancy, Economics and Finance at The Hong Kong Baptist University since September 1999. From 2006 to 2012, Dr. Wu was a member of the Advisory Group on Share Capital, Distribution of Profits and Assets and Charges Provisions for the rewrite of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), on appointment by the Financial Services and Treasury Bureau (“FSTB”) of the Government of the Hong Kong Special Administrative Region. From 2011 to 2016, he was a member of the Advisory Group on Modernisation of Corporate Insolvency Law, also on appointment by the FSTB. Since January 2023, he has been a consultant on governance for Pok Oi Hospital. He currently also serves as an independent non-executive Director of Xtep International Holdings Ltd (stock code: 1368.HK). He was an independent non-executive director of Goal Rise Logistics (China) Holdings Limited (now known as Yues International Holdings Group Ltd, stock code: 1529.HK) from August 2017 to November 2021, and an independent non-executive director of Wan Leader International Limited (stock code: 8482.HK) from August 2018 to March 2021. All such companies are listed on the Stock Exchange.

Dr. Wu attained a bachelor’s degree in law in November 1993, a postgraduate certificate in law in June 1994 and a doctorate degree in law in December 2003, all from The University of Hong Kong. He also obtained a master’s degree in business administration from The Hong Kong Polytechnic University in November 2013.

From 2006 to 2012, he was a member of the Advisory Group on Share Capital, Distribution of Profits and Assets and Charges Provisions for the rewrite of the Companies Ordinance (Chapter 622 of the laws of Hong Kong), on appointment by the Financial Services and Treasury Bureau of the Hong Kong Government. From 2011 to 2016, he was a member of the Advisory Group on Modernisation of Corporate Insolvency Law, also on appointment by the Financial Services and Treasury Bureau. He has been serving the Hong Kong Institute of Certified Public Accountants as a director of a professional diploma programme in insolvency since 2012. He was appointed as a consultant on governance by Pok Oi Hospital in January 2023.

Dr. Wu had also participated in the development of the first governance code for the national sports associations in Hong Kong. His contributions was acknowledged in the Code of Governance, promulgated by the Sports Federation & Olympic Committee of Hong Kong, China in November 2024.

## BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

### **Mr. YIU Ho Chi Stephen (姚好智)**

Mr. Yiu, aged 63, was appointed as an independent non-executive Director on 7 July 2023. He has over 31 years of extensive experience in auditing, accounting, finance, company secretarial, corporate governance and strategic planning gained from his tenure at international public accounting firm, multinational corporations and listed companies.

Mr. Yiu served as Chief Financial Officer of DBA Telecommunication (Asia) Holdings Limited (previous stock code: 3335.HK) from October 2013 to November 2020. From June 2002 to July 2010, he served as the Chief Financial Officer of Come Sure Group (Holdings) Limited (stock code: 794. HK) and was also appointed as an executive director and the Company Secretary since its listing in February 2009 until July 2010. From April 2000 to November 2001, Mr. Yiu served as the Financial Controller of Bosswin Industries Limited. From July 1996 to March 2000, Mr. Yiu was served as the Chief Financial Officer of Freight Links Express Holdings (Hong Kong) Limited (now known as Shanghai Industrial Urban Development Group Limited, stock code: 563. HK). Mr. Yiu served as the Financial Support Manager of Polaroid Far East Limited, the Far East Regional Office of Polaroid Corporation USA, from February 1995 to July 1996. From August 1989 to February 1995, Mr. Yiu was served in the finance division of Sino Land Company Limited (Stock Code: 83.HK) and leaving as Assistant Manager for Group Treasury. From September 1986 to September 1988, Mr. Yiu served as an auditor in an international accounting firm.

Mr. Yiu obtained a Diploma in Accounting from Hong Kong Shue Yan College (now known as Hong Kong Shue Yan University) in 1986, a Bachelor of Laws from Peking University in 1997 and a Master of Business from Curtin University in Australia in 2002. He has been a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants since January 1994, and a Certified Professional Forensic Accountant of the Institute of Certified Forensic Accountants in the United States since February 2018.

### **Ms. LAW Ying Wai Denise (羅瑩慧)**

Ms. Law, aged 44, was appointed as an independent non-executive director of the Company on 7 July 2023. Ms. Law possesses over 16 years of experience in corporate finance and auditing. She is a director of Halcyon Capital Limited which specialises in initial public offerings and corporate advisory in mergers and acquisitions. She used to work for an international accounting firm and other corporate finance arms of financial institutions in Hong Kong. Between August 2022 and October 2024, Ms. Law was an independent non-executive director of Trio Industrial Electronics Group Limited (stock code: 1710.HK), a company listed on the Stock Exchange.

Ms. Law graduated from the University of New South Wales in Australia with a degree of Bachelor of Commerce in Accounting and Finance in April 2004. She is a member of the American Institute of Certified Public Accountants.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## ABOUT THE ESG REPORT

Smart Globe Holdings Limited (“**Smart Globe**” or the “**Company**”) is delighted to present its environmental, social and governance (“**ESG**”) report (“**ESG Report**”) for the financial year from 1 January 2025 to 31 December 2025 (“**Reporting Period**” or “**2025**”). This ESG Report herein focuses on providing an overview of the environmental and social aspects of the Company and its subsidiaries (the “**Group**” or “**we**”). It outlines how we seek to continually improve our operational strategy regarding our environment and society to cope with global sustainability standards.

During the Reporting Period, the Group continued to operate two principal business lines, namely its Supply Chain Management Service Business and its Printing Business (the “**Printing Business**”). In line with the Group’s business development in 2025, this ESG Report places greater emphasis on the rapid growth of the Supply Chain Management Service Business (the “**Supply Chain Business**”), which has become an important driver of the Group’s revenue growth, operational development and future strategic direction, while continuing to provide balanced disclosure on the environmental and social performance of the Printing Business.

As the Group expands its logistics, warehousing and related service capabilities in Sub-Saharan Africa, and continues to operate its established printing operations in the People’s Republic of China (the “**PRC**”) and Hong Kong, the Group’s ESG management approach focuses increasingly on climate resilience, fleet and warehouse-related environmental impacts, occupational health and safety, supply chain governance, service responsibility and stakeholder engagement across different operating locations.

The Group believes that the prudent management of environmental and social issues is one of the key factors in long-term success in this rapidly changing world. To better understand the risks and opportunities for environmental protection, the Group closely follows the requirements and expectations of regulatory authorities through efficient operation management, well-established policies and procedures, and higher standards of energy-efficient measures and waste treatment. The Group believes that our expertise, capabilities and ownership patterns can be part of the solution to some of the challenges the Group is facing.

To carry out the Group’s sustainability strategy from top to bottom, the Board of Directors (the “**Board**”) has ultimate responsibility for ensuring the effectiveness of the Group’s ESG policies. The Board has established a certain dedicated ESG Taskforce Group (the “**Taskforce Group**”) to manage ESG issues within each business division of the Group. The designated staff have been assigned to enforce and supervise the implementation of the relevant policies.

Smart Globe is committed to the implementation of sustainable development and social corporate responsibility. While the Group is actively developing and expanding our business, the Group also takes environmental, social and moral needs into serious consideration to strike a balance and unity between profitability, environmental and social impacts. The Group also pays great attention to stakeholders to establish a good relationship through better understanding and responding to their expectations. As a result, the Group will continue to maintain close contact with the stakeholders to meet the expectations and needs of the stakeholders to continuously improve our ESG strategies to create an efficient and diversified business.

## Reporting Scope and Boundary

In order to comply with the disclosure obligations, this ESG Report has outlined the overall Group's performance in environmental protection, human resources, operating practice and community involvement during the Reporting Period.

During the preparation of this ESG Report, the Group conducted a thorough review and evaluation of the existing Group's policies and practices. The Group reviews its reporting scope from time to time to ensure completeness and that the material topics of the Group's overall portfolio are covered. Unless otherwise stated, this ESG Report covers the data and information of the Group's major operating locations and business activities during the Reporting Period, including: (i) the Supply Chain Business operating in the Republic of Zambia (the "**Zambia**"); (ii) the Group's headquarters and office operations in Hong Kong; and (iii) the Printing Business operated at the Group's factory in Heyuan, Guangdong Province, the PRC (the "**Heyuan Factory**").

In view of the Group's evolving business profile in 2025, the reporting boundary has been presented in a manner that reflects the growing significance of the Supply Chain Business, while maintaining continued disclosure of the Printing Business, which remains relevant to several environmental performance indicators of the Group.

This ESG Report was approved by the Board on 26 March 2026. For details on the Group's corporate governance, please refer to the "Corporate Governance Report" of this Report.

## Reporting Framework

The ESG Report is prepared in accordance with the selected global, local and industrial standards and best practices, which include, but are not limited to, the Environmental, Social and Governance Reporting Code (the "**Reporting Code**") as set out in Appendix C2 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**HKEX**").

During the preparation for this ESG Report, the Group has applied the reporting principles in the Reporting Code as follows:

**Materiality:** Materiality assessment was conducted to identify material ESG issues, thereby adopting the confirmed material ESG issues as the focus for the preparation of the ESG Report. The materiality of ESG issues was reviewed and confirmed by the Board and senior management. For further details, please refer to the sections headed "Our Stakeholders" and "Materiality Assessment".

**Quantitative:** The standards, methodologies and applicable assumptions used in the calculation of Key Performance Indicators ("**KPIs**") were supplemented by explanatory notes.

**Balance:** The Group reviews and discloses the ESG performance in an unbiased, fair and objective manner, which is conducive to evaluating the Group's performance objectively and rationally.

**Consistency:** Unless otherwise stated, the preparation approach of this ESG Report remains consistent with the previous financial years for comparison. If there are changes in the scope of disclosure and calculation methodologies that could affect the comparisons with previous ESG reports, explanations will be provided alongside the corresponding data.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Information and Feedback

For details in relation to our financial performance and corporate governance, please visit our website at <https://www.smartglobehk.com> and/or see our Annual Report for the year ended 31 December 2025. The Group also treasure your feedback and comments on our sustainability performance. Please send your feedback and other sustainability enquiries to our Customer Service at [enquiry@CosmosLink.com](mailto:enquiry@CosmosLink.com).

## ESG MANAGEMENT

### Sustainability Governance

#### *The Board*

The Board has ultimate responsibility for the Group's ESG strategy and performance. It provides leadership and oversight of ESG matters, including climate-related risks and opportunities, as part of the Group's broader strategic agenda. Through the Taskforce Group, the Board assures that ESG considerations are embedded into the Group's long-term development plans. It also guarantees the establishment and effectiveness of ESG-related risk management and internal control systems, ensuring that ESG risk factors (including climate-related elements) are assessed and integrated into key decision-making processes.

To strengthen its oversight, the Board, in accordance with its Terms of Reference, meets at least once a year to review sustainability performance and evaluate climate-related risks and opportunities reported by the ESG Taskforce Group. The Group also provides periodic ESG training to ensure Board members remain up to date on key sustainability developments, including regulatory changes and market trends, so they are well informed and equipped with the core competencies required to exercise effective oversight of climate-related risks.

As part of its commitment to continuous improvement, the Group intends to evaluate the integration of ESG performance (including but not limited to climate-related considerations and progress towards targets related to climate-related risks and opportunities) into management remuneration frameworks and will adopt supporting policies when appropriate to reinforce accountability and long-term value creation.

#### *ESG Taskforce Group*

The Taskforce Group shall meet at least once a year and is responsible for implementing the Group's ESG management under the guidance of the Board. The Taskforce Group monitors ESG market developments, trends, and regulations, advises on ESG strategies, identifies and assesses ESG-related (including climate change issues) risks and opportunities. It formulates and reviews ESG objectives, strategies, and management policies, aligns material ESG issues with the Group's strategic direction, and evaluates the relationship between ESG risks and the Group's overall risk management system. The Taskforce Group oversees the implementation of ESG initiatives, reviews progress against performance objectives, analyses ESG performance data for Board review, and provides regular updates on ESG-related risks. It conducts stakeholder engagement, endorses materiality assessment results, and supports the preparation and approval of the annual ESG report. The Taskforce Group also provides ESG information required for Board decision-making, handles ESG matters authorised by the Board, and maintains a clear governance framework for climate-related risks and opportunities, ensuring responsibilities, reporting lines, and governance arrangements are properly documented and disclosed.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *The Functional Departments*

The Functional Departments play a critical role in implementing sustainability initiatives within their respective areas of responsibility. They embed ESG considerations into operational processes, monitor compliance with relevant standards, and provide accurate data and insights to support performance evaluation. These departments work closely with the Taskforce Group to identify emerging ESG risks and opportunities and to respond promptly to critical incidents across business units. Through this collaboration, sustainability measures are effectively integrated throughout the organisation, and progress is consistently tracked and reported.

## OUR STAKEHOLDERS

The Group strongly believes that our stakeholders play a crucial role in sustaining the success of our business. The Group is actively searching for every opportunity to understand and engage our stakeholders to ensure that improvement can be made to our products and services.

Stakeholders	Probable Points of Concern	Communication and Responses
HKEX	Compliance with listing rules, and timely and accurate announcements.	Meetings, training, workshops, programs, website updates, and announcements.
Government	Compliance with laws and regulations, preventing tax evasion, and social welfare.	Interaction and visits, government inspections, tax returns and other information.
Investors	Corporate governance, business strategies and performance, and investment returns.	Organising briefing sessions and seminars, interviews, shareholders' meetings, issue of financial reports or operation reports for investors, media and analysis.
Media & Public	Corporate governance, environmental protection, and human rights.	Issue of newsletters on the Company's website.
Customers	Service quality, service delivery schedule, reasonable prices, service value, and personal data protection.	After-sales services.
Employees	Rights and benefits of employees, compensation, training and development, work hours, and working environment.	Conducting union activities, training, interviews with employees, internal memos, and employee suggestions boxes.
Community	Community environment, employment opportunities, community development, and social welfare.	Developing community activities, employee voluntary activities, and community welfare subsidies and donations.

## MATERIALITY ASSESSMENT

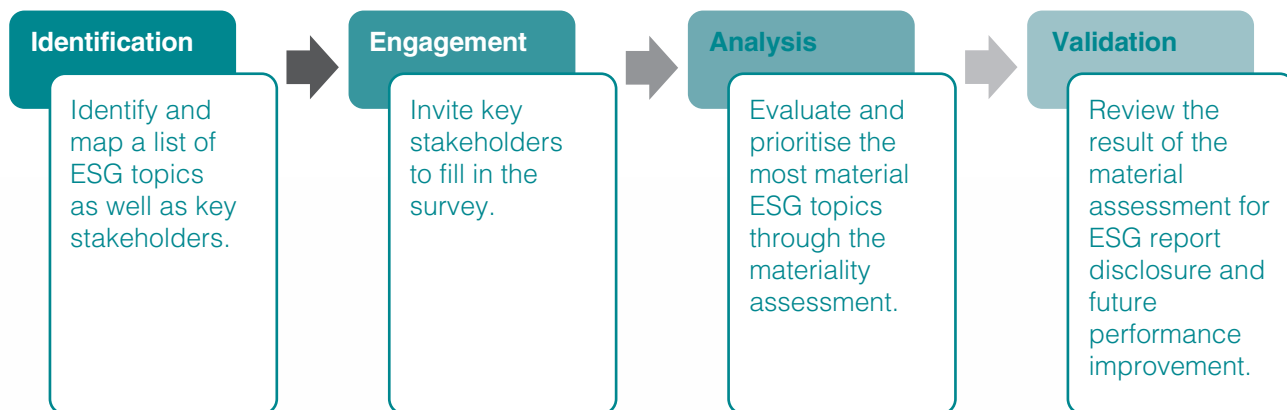
In view of the Group's evolving business profile, the materiality assessment results were interpreted with increasing reference to the ESG implications of the Supply Chain Business, including fleet-related emissions, operational health and safety, service responsibility, climate resilience and responsible partner management, while continuing to reflect the environmental impacts associated with the Printing Business.

The Group has identified ESG issues that have potential or actual impact on its sustainable development from various sources, such as issues identified in previous ESG reports, internal policies, industry trends and the Sustainability Accounting Standards Board's Materiality Map<sup>1</sup>. The ESG issues have been analysed concerning an array of factors, including the Group's overall strategy, development, goals and targets. The Group has conducted a materiality assessment to rate the identified ESG issues that are pertinent to its business and stakeholders and their respective levels of impact.

The material ESG issues are considered as those which have or may have a significant impact on:

- the office and factory located in Hong Kong, the PRC and Zambia;
- the current and future environment and/or society;
- the Group's financial and/or operational performance; and
- the stakeholders' assessments, decisions and actions.

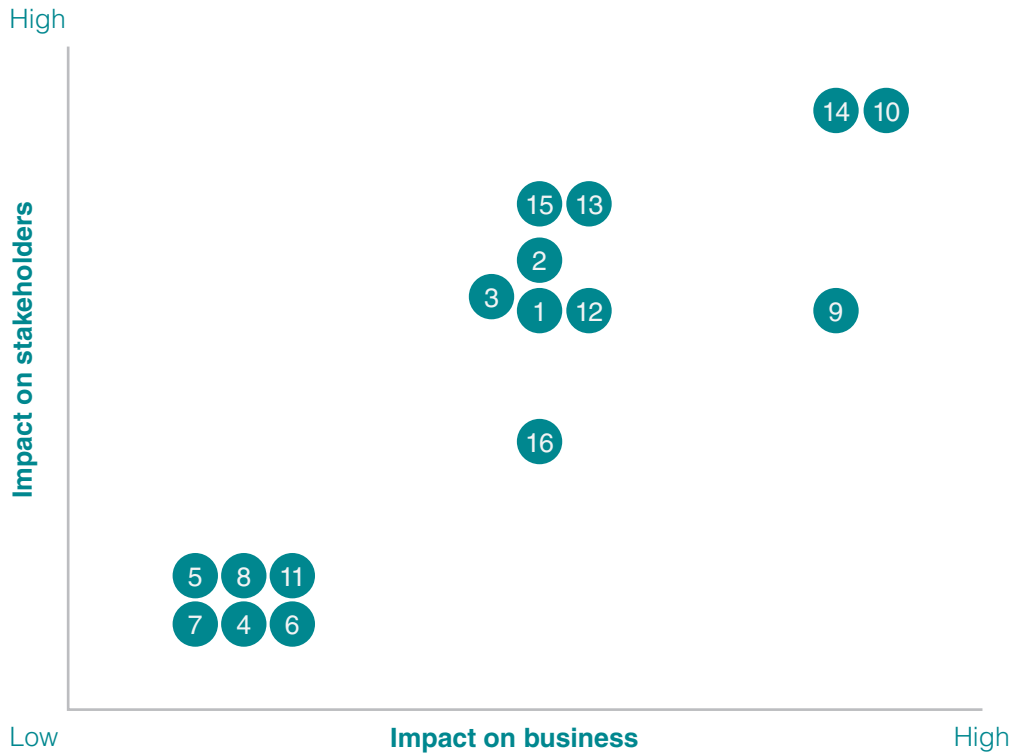
The Group has conducted a materiality assessment to rate the identified ESG issues that are pertinent to its business and stakeholders and their respective levels of impact.



<sup>1</sup> Sustainability Accounting Standards Board's Materiality Map, <https://materiality.sasb.org/>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The matrix diagram and the prioritisation of the Group's material ESG issues are detailed below.



## ESG Issues

1	Emissions	9	Employment
2	Greenhouse Gas Emissions	10	Health and Safety
3	Hazardous Waste	11	Development and Training
4	Non-Hazardous Waste	12	Labour Standards
5	Energy Consumption	13	Supply Chain Management
6	Water Consumption	14	Product and Service Responsibility
7	Natural Resources	15	Anti-corruption
8	Climate Change	16	Community Investment

## ENVIRONMENTAL

### Overview

The Group recognises that its environmental footprint in 2025 arises from two distinct operating profiles: (i) the fast-growing Supply Chain Business, which primarily gives rise to fuel consumption, vehicle-related air emissions, warehousing-related electricity use and climate-related operational risks; and (ii) the Printing Business, which continues to account for a significant portion of the Group's electricity consumption, water use, packaging materials use and waste generation.

As the Group expands its logistics and warehousing capabilities in Zambia and across the Sub-Saharan Africa market, environmental management is increasingly focused on fleet efficiency, emissions control, energy management, waste handling and climate resilience. During the Reporting Period, the scale-up of the Supply Chain Business following the commencement of operations in Zambia in the third quarter of 2024 led to an increase in air emissions, primarily attributable to the expansion of vehicle fleets and logistics-related activities. The Group's fleet increased from 2 light goods vehicles and 10 medium and heavy goods vehicles in 2024 to 19 light goods vehicles and 44 medium and heavy goods vehicles during the Reporting Period, resulting in higher fuel consumption and associated emissions. As 2025 represents the first full year of operations compared to the partial dataset in the prior year, such variances in emissions performance are considered reasonable. In response, the Group has strengthened its focus on preventive fleet maintenance, fuel efficiency optimisation, route planning and warehouse energy management to minimise emissions and operational risks. At the same time, the Group continues to monitor and manage the environmental impacts of its established printing operations at the Heyuan Factory through ongoing resource-efficiency and waste management measures.

During the Reporting Period, the Group has fully complied with all applicable requirements as set up by the laws and regulations regarding air emissions including but not limited to "Environmental Protection Law of the PRC", "Water Pollution Prevention and Control Law of the PRC", "Atmospheric Pollution Prevention and Control Law of the PRC", "Law of the PRC on the Prevention and Control of Solid Waste Pollution" and The Environmental Protection and Pollution Control Act of Zambia.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Emissions<sup>1</sup>

During the Group's daily operations, goods delivery by vehicle is the major activity that generates air pollutants, including nitrogen oxides ("NO<sub>x</sub>"), sulphur oxides ("SO<sub>x</sub>") and particulate matter ("PM").

Air Emissions <sup>2</sup>	Unit	2025	2024
<b>Supply Chain Business</b>			
NO <sub>x</sub> Emissions	kg	<b>2,303.79</b>	N/A
SO <sub>x</sub> Emissions	kg	<b>3.86</b>	N/A
PM Emissions	kg	<b>188.43</b>	N/A
<b>Printing Business</b>			
NO <sub>x</sub> Emissions	kg	<b>50.31</b>	N/A
SO <sub>x</sub> Emissions	kg	<b>0.20</b>	N/A
PM Emissions	kg	<b>4.82</b>	N/A
<b>Total Air Emissions</b>			
NO <sub>x</sub> Emissions	kg	<b>2,354.10</b>	836.12
SO <sub>x</sub> Emissions	kg	<b>4.06</b>	1.07
PM Emissions	kg	<b>193.25</b>	61.58

<sup>1</sup> During the Reporting Period, the Group commenced disclosing air emissions data at the business unit level to enhance transparency. The same disclosure approach has also been applied to other environmental metrics in this ESG Report.

<sup>2</sup> The calculation is based on the "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" published by HKEX; during the Reporting Period, the Group operated 19 light goods vehicles and 44 medium and heavy goods vehicles, compared with 2 light goods vehicles and 10 medium and heavy goods vehicles in 2024; All vehicles included in the calculation are directly operated by the Group. Vehicles that are rented, such as those used for one-way delivery of the Group's goods but returning with cargo for other companies are excluded, as the relevant ESG-related data are owned and managed by the rental service providers and are not reasonably accessible for accurate assessment or reporting.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group experienced a significant increase in air emissions, primarily attributable to the operation scale-up of its Supply Chain Business, particularly the expansion of vehicle fleets and logistics-related activities in Zambia. Accordingly, the Group is strengthening its focus on fleet efficiency, preventive maintenance, route planning, warehouse energy management and climate resilience as part of its broader decarbonisation and risk management efforts. The Group's vehicle fleet increased from 2 light goods vehicles and 10 medium and heavy goods vehicles in 2024 to 19 light goods vehicles and 44 medium and heavy goods vehicles during the Reporting Period. This substantial increase in vehicle usage resulted in higher air emissions, and consequently, the Group fell short in achieving the emission reduction targets set in the previous year. Since the Group commenced its new operations in Zambia in the third quarter of 2024, the comparison with 2025 data reflects certain variances. As the current year covers a full-year dataset while the prior period does not, such differences are expected and considered normal. Looking ahead, in view of the continuing expansion of the Group's Supply Chain Business, including the anticipated increase in fleet deployment, warehousing activities and logistics throughput, the Group will adopt a qualitative air emission management target aligned with its operational needs and broader decarbonisation strategy. The Group aims to manage air emissions through continuous improvement in operational efficiency, including route optimisation, preventive fleet maintenance, enhanced monitoring of fuel consumption and emission performance, and prioritisation of lower-emission vehicle alternatives where commercially feasible.

### Waste Management

During the Reporting Period, the Group has fully complied with all applicable requirements as set up by the laws and regulations regarding the generation of hazardous waste and non-hazardous waste including but not limited to the “Environmental Protection Law of the PRC”, the “Law of the PRC on Prevention and Control of Environmental Pollution by Solid Waste” and the “Solid Waste Regulation and Management Act of Zambia”.

In order to prevent hazardous wastes from polluting the environment and strengthen the management of hazardous wastes, the Group formulated a “Hazardous Waste Management Policy” in accordance with the “Environmental Protection Law of the PRC”. The Group prohibits any dumping of hazardous waste into the environment; hazardous waste is separately collected, stored, transferred and disposed of against non-hazardous waste; hazardous waste is stored in a special container with a clear label. The hazardous waste generated during our operation, such as organic solvent waste (HW06), waste mineral oils (HW08), and waste dyes and paints (HW12) are hazardous wastes stated in the “National Catalogue of Hazardous Waste”. The Group has contracted a waste collection company listed in the “Construction Program for Hazardous Waste and Medical Waste Treatment Facilities in the PRC” to handle the hazardous waste in accordance with the laws and regulations.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Waste Produced	Unit	2025	2024
<b>Printing Business</b>			
<b>Hazardous Waste<sup>3</sup></b>			
Total Hazardous Waste	tonnes	<b>15.82</b>	58.50
Hazardous Waste Intensity <sup>4</sup>	tonnes/m <sup>2</sup>	<b>0.0006</b>	0.0021
<b>Non-hazardous Waste<sup>5</sup></b>			
Total Non-hazardous Waste	tonnes	<b>53.47</b>	36.07
Total Non-hazardous Waste Intensity	tonnes/m <sup>2</sup>	<b>0.0020</b>	0.0013

In order to reduce waste generation, the Group put effort into reducing the usage of waste at its source. Our employees receive a daily briefing before starting their work, they fully understand the job's nature and requirements, which gives less chance of making unnecessary waste of raw materials as well as hazardous materials.

In 2025, the Group recorded a significant decrease in hazardous waste and a substantial increase in non-hazardous waste compared with 2024. The reduction in hazardous waste was mainly due to the clearing of accumulated waste from early 2024, with no backlog in 2025 and timely processing throughout the Reporting Period, the volume naturally declined.

The increase in non-hazardous waste was primarily driven by changes in the collection and calculation methodology. Prior to 2024, the Group estimated wastepaper generation based on the proportion of waste produced during the manufacturing process. In 2025, however, the Group began collaborating with a third-party waste management company and updated its methodology to calculate wastepaper volume based on invoices issued by recyclers handling recycled paper. This methodological shift resulted in noticeable data variances. Such fluctuations are expected and considered normal when transitioning to a more accurate and formalised data-collection approach, as improved measurement often reveals differences that were previously unrecorded or underestimated.

<sup>3</sup> Total hazardous waste includes organic solvent waste (HW06), waste mineral oils (HW08), waste dyes and paints (HW12), containers and cleansing sundries that contain or taint with hazardous wastes (HW49) and waste activated carbon (HW49).

<sup>4</sup> During the Reporting Period, the Printing Business had a total gross floor area of 27,211.09 m<sup>2</sup> (2024: 27,231.10 m<sup>2</sup>), which will continue to be used as the basis for other environment-related intensity metrics.

<sup>5</sup> Total non-hazardous waste includes wastepaper.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As the Group updated its methodology for intensity calculations during the Reporting Period, the waste target set in 2024 is no longer applicable. Looking ahead, the Group will adopt a qualitative waste management and circularity target focused on minimising waste generation at source, reducing reliance on landfill disposal, strengthening segregation and recycling systems, and promoting circular economy practices across its operations. The Group will continue to prioritise the reduction and proper handling of hazardous waste, while enhancing the management of non-hazardous waste with reference to operational intensity where appropriate. The Group will also explore opportunities to improve resource recovery, including the potential application of waste solutions where commercially and operationally feasible. To support these objectives, the Group will continue to engage qualified waste contractors and recyclers, enhance employee awareness on waste reduction and sorting, and regularly review waste data and management practices to drive continual improvement.

### Energy Efficiency

The Group treasures the use of electricity. Through the implementation of a variety of measures established in the “Electricity and Water Saving Management Policy”, the Group is aim to achieving electricity conservation under the principle of saving:

- Air-conditioners are permitted to switch on only when the air temperature is above 28 degrees Celsius and should be turned off 30 minutes after office hours;
- Electronic equipment with Grade 1 energy efficiency labelling or relevant energy-saving labelling is preferential when acquisition requisition is made;
- All electronic equipment is switched off when it is not in operation;
- Lighting facilities are recommended to be turned off during lunchtime, and the last employee who leaves the office or factory must ensure that all lights are switched off.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group believes that establishing the above “Electricity and Water Saving Management Policy”, will be effective in raising the awareness of employees’ energy-saving initiatives and reducing energy consumption in the long run.

Energy Consumption	Unit	2025	2024
<b>Supply Chain Business</b>			
Direct Energy Consumption			
– Vehicle Fuel (Petrol and Diesel) <sup>6</sup>	MWh	<b>2,555.43</b>	N/A
Energy Consumption	MWh	<b>2,555.43</b>	N/A
Energy Consumption Intensity	MWh/m <sup>2</sup> <sup>7</sup>	<b>0.02</b>	N/A
<b>Printing Business</b>			
Direct Energy Consumption			
– Vehicle Fuel (Petrol and Diesel) <sup>6</sup>	MWh	<b>142.80</b>	N/A
Indirect Energy Consumption			
– Purchased Electricity	MWh	<b>6,799.28</b>	N/A
Energy Consumption	MWh	<b>6,942.08</b>	N/A
Energy Consumption Intensity	MWh/m <sup>2</sup>	<b>0.26</b>	N/A
Total Direct Energy Consumption	MWh	<b>2,698.23</b>	702.55
Total Indirect Energy Consumption	MWh	<b>6,799.28</b>	9,125.72
Total Energy Consumption	MWh	<b>9,497.51</b>	9,828.27
Total Energy Consumption Intensity	MWh/m <sup>2</sup>	<b>0.35</b>	0.36
Total Energy Consumption Intensity	MWh/'000 HKD Revenue	<b>0.09</b>	N/A

In 2025, the Group’s overall energy consumption remained broadly consistent with 2024. However, direct energy consumption rose significantly while indirect energy consumption declined. The increase in direct energy was mainly due to the effective expansion of the Supply Chain Business in Zambia, which drove the Group’s vehicle fleet from 12 in 2024 to 63 during the Reporting Period. This substantial increase in vehicle operations led to higher direct energy consumption. Conversely, indirect energy consumption (purchased electricity) decreased as the Printing Business experienced fewer orders in late 2025 and employees were able to leave work earlier, resulting in lower electricity usage. Overall, the Group’s total energy consumption showed no material change compared with 2024.

<sup>6</sup> The unit conversion method of direct energy consumption data is based on the “Energy Statistic Manual” issued by the International Energy Agency.

<sup>7</sup> In 2025, the Group’s Supply Chain Business commenced full operations. Given the distinct nature of the Printing Business and the Supply Chain Business, the Group determined that separating the intensity-based calculations and disclosures would more accurately reflect actual operational performance. During the Reporting Period, the Supply Chain Business had a total revenue of HK\$ 111,031,000, which will continue to be used as the basis for other environment-related intensity metrics.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

As the Group updated its methodology for intensity calculations during the Reporting Period, the energy target set in 2024 is no longer applicable. Looking ahead, taking into account the continuing expansion of the Supply Chain Business and the corresponding growth in vehicle operations, warehousing capacity and logistics support activities, the Group will adopt a qualitative energy management target aligned with operational demand and efficiency improvement objectives. The Group aims to improve overall energy performance through route optimisation, preventive maintenance of vehicles and equipment, adoption of energy-efficient lighting systems across warehouses and offices, and enhanced monitoring of electricity and fuel consumption. The Group will continue to manage energy consumption with reference to business activity levels and periodically review operational practices to enhance efficiency and long-term operational resilience, thereby balancing responsible resource use with anticipated business expansion.

### Water Management

The Group has complied with the “Water Pollution Prevention and Control Law of the PRC” and the Water Act of Zambia with an aim to prevent and control water pollution, protect and improve the environment and ensure the safety of drinking water. During the Reporting Period, we have had no issue in sourcing water that is fit for purpose.

The Group treasures the preciousness of water resources. Through the implementation of a variety of measures established in the “Electricity and Water Saving Management Policy”, the Group is aim to achieving water conservation under the principle of saving, purifying and recycling:

- Any water wastage phenomenon is prohibited;
- Water is used for washing hands or flushing the toilet;
- Any water leakage, breakage or other potential damage to water pipes is regularly inspected and identified;
- Meter reading is checked constantly for revealing any hidden leakage phenomena;
- Water-saving education and ideas of water-saving are continuously promoted among our employees.

The Group believes that establishing the above “Electricity and Water Saving Management Policy” will be effective in raising the awareness of employees’ water conservation initiatives and reducing water consumption in the long run.

<b>Water Consumption</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Printing Business</b>			
Total Water Consumption	m <sup>3</sup>	<b>156,958.78</b>	203,368.00
Total Water Consumption Intensity	m <sup>3</sup> /m <sup>2</sup>	<b>5.77</b>	7.47

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In 2025, the Group's water consumption declined significantly compared with 2024, primarily due to reduced orders in the Printing Business toward year-end, resulting in shorter working hours and, consequently, lower water usage. As the Group updated its methodology for intensity calculations during the Reporting Period, the water target set in 2024 is no longer applicable. Looking ahead, the Group will adopt a qualitative water conservation and water quality management target aligned with its operational needs and the broader principles of sustainable water stewardship. The Group will continue to improve water-use efficiency across its operations, promote responsible and sustainable water use, reduce pollution risks and minimise the release of hazardous substances where applicable. The Group will also enhance the safe reuse and recycling of water where practicable, including exploring rainwater harvesting, reclaimed water reuse and wastewater recycling opportunities in suitable production processes and facilities. In addition, the Group will strengthen water management through regular inspection, leak detection, preventive maintenance, data monitoring and the evaluation of appropriate water treatment technologies and integrated water resource management practices, with a view to safeguarding water quality and supporting long-term operational resilience.

### Packaging Materials

The Group is engaged in the packaging business, especially in paper-based packaging. Packaging is specifically designed for each end product type, based on clients' specific quality and safety requirements. In 2025, the Group's packaging materials used declined significantly compared with 2024, primarily due to reduced orders in the Printing Business toward year-end. The following is the usage of packaging materials during the Reporting Period:

<b>Packaging Materials</b>	<b>Unit</b>	<b>2025</b>	<b>2024</b>
<b>Printing Business</b>			
Total Packaging Materials Used	tonnes	<b>348.52</b>	489.24
Total Packaging Materials Intensity	tonnes/m <sup>2</sup>	<b>0.01</b>	0.02

### The Environment and Natural Resources

Due to the Group's business nature, there is no significant consumption of natural resources, and therefore, the Group's activities do not have any significant impact on the environment. However, the Group is concerned about the natural resources consumed along the supply chain, and it endeavours to select vendors that are environmentally and socially conscious. Details of vendor selection criteria are set out in the "Supply Chain Management" section below.

### Climate Change

The Group has established climate strategies to address the escalating climate-related risks while leveraging opportunities that foster long-term sustainability and business resilience.

To strengthen our approach, and with reference to the IFRS S2 Climate-related Disclosure Standard, we conducted scenario analysis and risk prioritisation exercises to identify climate-related risks and opportunities that are critical to our business and value chain. This assessment encompassed both financial and non-financial impacts, enabling us to respond to climate challenges in a structured and informed manner.

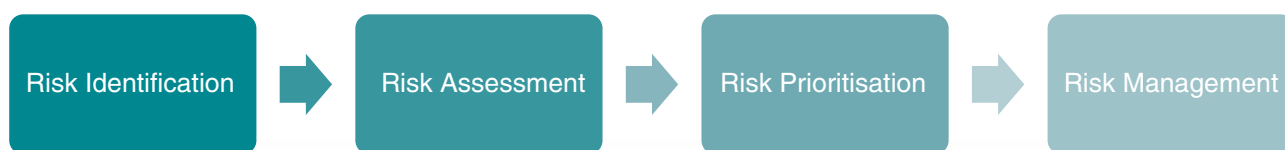
## Strategy

### *Climate Scenario Analysis*

The Group conducts climate scenario analysis to identify and assess potential climate-related physical and transition risks, as well as opportunities to its operations, asset portfolios and value chain over short- to medium-term horizons (2030 and 2035) and medium- to long-term horizons (2050). These timeframes align with the global objective of reducing emissions and achieving net zero by 2050. While projections beyond 2050 involve significant uncertainty due to underlying assumptions, our approach ensures a balance between data reliability and addressing long-term risks.

For physical risks, the assessment begins with a high-level screening of asset types to understand their inherent exposure to acute and chronic climate-related hazards. This is followed by an evaluation of geographical markets in which the Group operates, taking into account spatial and temporal variations in climate hazards under different climate scenarios. The analysis considers the proportion of assets exposed to climate-related risks based on asset characteristics and geographical locations, without factoring in existing adaptation or mitigation measures. Changes in physical risk exposure over time are assessed by combining projected climate conditions under selected scenarios and expected changes in the Group's asset portfolio, providing insight into how physical climate risks may evolve over the long term.

For transition risks, the Group assesses potential impacts arising from the transition to a low-carbon economy, including changes in climate-related policies and regulations, market dynamics, technology developments and stakeholder expectations. The assessment evaluates the sensitivity of key business activities to transition drivers under different climate scenarios. Potential financial and operational impacts are analysed across defined time horizons, with reference to the Group's strategic direction and decarbonisation plans. The outcomes of the climate scenario analysis are used to inform risk management, strategic planning and capital allocation, and to enhance the Group's resilience under a range of plausible climate futures.



**Steps in the Risk Integration Process**

To evaluate the potential implications of climate change in our business, we utilised climate pathways developed by globally recognised institutions, including the Intergovernmental Panel on Climate Change (“**IPCC**”) and the International Energy Agency (“**IEA**”). These scenarios incorporate a broad range of factors – political, environmental, economic, and social indicators. Key variables include projected shifts in population, economic activity, weather patterns, energy usage, land-use patterns, technology, and climate policy. Separate sets of scenarios were applied to physical and transition risks to reflect distinct risk drivers. Insights from this analysis inform our climate strategy by identifying risk hotspots and guiding actions to strengthen long-term resilience.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Inputs and Approach of Scenario Analysis

Scope of Analysis		
<ul style="list-style-type: none"> <li>Three operating locations in Hong Kong – Quarry Bay, the PRC – Heyuan, and Zambia – Ndola</li> <li>Including headquarters and operating sites</li> </ul>		
Scenario Used		
<b>Time Horizons</b>	<ul style="list-style-type: none"> <li>Short to medium-term horizons (2030 and 2035)</li> <li>Medium to long-term horizons (2050)</li> </ul>	
<b>Rationale</b>	<ul style="list-style-type: none"> <li>The scenarios developed take reference from IPCC (physical risks) and IEA (transition risks)</li> <li>The selected sources model most severe climate futures, enabling us to inform risk mitigation planning, guide capital investment decisions, and strengthen operational resilience</li> <li>The scenarios chosen will help the Group assess the level of exposure from physical and transition risks, and support our future strategic planning</li> </ul>	
<b>Climate Risks</b>	<b>Physical Risks</b>	<b>Transition Risks</b>
<b>Scenario</b>	IPCC SSP5-8.5 Scenario	IEA Current Policies Scenario (CPS)
<b>Scenario Description</b>	A high GHG emissions scenario driven by rapid economic growth and heavy fossil fuel use, leading to severe climate change with warming of about 4°C by 2100.	An energy future based solely on policies already enacted into law, projecting continued growth in fossil-fuel demand and a resulting global temperature rise of roughly 2.9°C by 2100.
<b>Risks Assessed</b>	Acute risk: <ul style="list-style-type: none"> <li>Heavy precipitation</li> </ul> Chronic risk: <ul style="list-style-type: none"> <li>Rising average temperature</li> </ul>	<ul style="list-style-type: none"> <li>Increasing cost from carbon offsets</li> <li>Increasing electricity costs</li> </ul>
Key Assumptions for Scenario Analysis and Asset Location Identification		
<ul style="list-style-type: none"> <li>Expect asset locations to remain the same over the time horizons</li> <li>No existing adaptation or mitigation measures</li> </ul>		

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Risk Management

### Physical Risks and Opportunities

To proactively model the most severe possible climate futures, the analysis applied the IPCC SSP5-8.5 scenario, representing a high-emission pathway, to evaluate projected impacts for the assets located in Hong Kong, the PRC, and Zambia by 2030 and 2050 horizons.

The assessment utilised advanced climate modelling methodologies that integrate historical records with future projections of key climate variables. Geospatial analysis incorporating satellite imagery, topography, vegetation, and building footprints was also employed to assess the likelihood and impact of physical risks to our assets. This science-based, data-driven approach enables us to better anticipate climate risks and design informed resilience strategies.

Two physical risks, assessed as having low impact under the selected climate scenarios, are summarised in the table below. While the supplementary table provides an overview of their potential business and financial implications, together with the Group's response.

Risk Exposure Level  Low  Low to medium  Medium  High

Location	IPCC SSP5-8.5	
	Heavy Precipitation	Rising Average Temperature
	2030	2050
Hong Kong	Low	Low
The PRC	Low	Low
Zambia	Low	Low

Risk Type	Acute Physical Risks	Chronic Physical Risks
Description	Heavy Precipitation	Rising Average Temperature
<b>Potential Financial Impact on Business Model and Value Chain</b>	<ul style="list-style-type: none"> <li>Business interruptions</li> <li>Prevent employee commuting</li> <li>Power outages and property damage</li> <li>Unstable transport and production may cause revenue losses</li> </ul>	<ul style="list-style-type: none"> <li>Increasing occupational health risks</li> <li>Impact storage of supplies/goods</li> <li>Increasing operational costs</li> <li>Affecting upstream procurement</li> </ul>
<b>Responses and Opportunities</b>	<ul style="list-style-type: none"> <li>Develop response plan for extreme conditions</li> <li>Explore rainwater harvesting technology</li> </ul>	<ul style="list-style-type: none"> <li>Formulate emergency response plan</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Transition Risks and Opportunities

To assess transition risks associated with the shift toward a low-carbon economy, we focused on the Group's core businesses across Hong Kong, the PRC, and Zambia. To proactively model the most severe possible climate futures, the analysis applied the IEA Current Policies Scenario (CPS), representing a continued growth in fossil-fuel demand and high transition risks covering 2035 horizons.

To complement this analysis, we conducted a qualitative review of local policy trends and regulatory developments in Hong Kong, the PRC and Zambia, recognising that global scenarios may lack regional specificity. We also distributed surveys internally to gather practical insights into operational resilience and transition risk exposure across our operations, taking into account policy, economic, and market factors. Additionally, the analysis acknowledges inherent uncertainties, not only from climate modelling assumptions but also those arising from evolving regulatory environments and expert judgments influenced by market sentiment.

The findings are summarised in the following table, detailing the identified transition risks, their potential business and value chain, financial impacts, and the Group's corresponding response and opportunities.

Risk Exposure Level  Low  Low to medium  Medium  High

Location	IEA Current Policies Scenario	
	Increasing Cost from Carbon Offsets	Increasing Electricity Costs
	2035	2035
Hong Kong	Low	Low to medium
The PRC	Low	Low to medium
Zambia	Low	Low to medium

Description	Increasing Cost from Carbon Offsets
<b>Potential Financial Impact on Business Model and Value Chain</b>	<ul style="list-style-type: none"> <li>Increased capital expenditure to invest in low-carbon technologies and carbon price</li> <li>Increased business uncertainty, arising from changing regulations and global trends</li> <li>Increased training costs for policy and regulation</li> </ul>
<b>Responses and Opportunities</b>	<ul style="list-style-type: none"> <li>Assess potential exposures to carbon pricing and explore strategies for achieving carbon reduction</li> <li>Identify opportunities to invest in energy-efficient or low-carbon technologies that reduce long-term offset requirements</li> <li>Leverage government incentives or green financing to support decarbonisation investments</li> </ul>

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Description	Increasing Electricity Costs
<b>Potential Financial Impact on Business Model and Value Chain</b>	<ul style="list-style-type: none"> <li>• Competitiveness loss compared to firms that have already invested in energy efficiency or renewables</li> <li>• Higher operating costs due to increased electricity tariffs from renewable energy mandates or fossil-fuel phase-out</li> <li>• Price volatility complicates budgeting, long-term planning, and investment appraisal, which cause greater forecasting uncertainty</li> </ul>
<b>Responses and Opportunities</b>	<ul style="list-style-type: none"> <li>• Explore to conduct energy audits to identify efficiency improvements</li> <li>• Explore Power Purchase Agreements (PPAs) to lock in long-term stable energy prices</li> <li>• Consider electrification or process redesign that improves efficiency and positions the business for future low-carbon competitiveness</li> </ul>

### *Metrics and Targets*

The greenhouse gas (“**GHG**”) emissions of the Group mainly come from three aspects: fuel consumption used by company vehicles (Scope 1); purchased electricity (Scope 2); and Category 1 (purchased goods and services), Category 5 (waste generated in operations) and Category 6 (business travel) under the “GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard”.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GHG Emissions	Source of Emission Factors	Unit	2025	2024
<b>Supply Chain Business</b>				
<b>Direct GHG Emissions – Scope 1</b>	<ul style="list-style-type: none"> <li>“How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by the HKEX</li> </ul>	tCO <sub>2</sub> e	<b>635.95</b>	N/A
Fuel Consumption – Company vehicles				
<b>Other Indirect GHG Emissions – Scope 3</b>	<ul style="list-style-type: none"> <li>Please refer to “Scope 3 Reporting Boundary”</li> </ul>	tCO <sub>2</sub> e	<b>652.34</b>	N/A
Category 1: Purchased Goods and Services <sup>8</sup>				
<b>GHG Emissions</b>		tCO <sub>2</sub> e	<b>1,288.29</b>	N/A
<b>GHG Emissions Intensity</b>		tCO <sub>2</sub> e/’000 HKD Revenue	<b>0.01</b>	N/A
<b>Printing Business</b>				
<b>Direct GHG Emissions – Scope 1</b>				
Fuel Consumption – Company vehicles	<ul style="list-style-type: none"> <li>“How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by the HKEX</li> </ul>	tCO <sub>2</sub> e	<b>36.90</b>	N/A
<b>Indirect GHG Emissions – Scope 2</b>	<ul style="list-style-type: none"> <li>The grid emission factors included in “Announcement on the Release of the 2024 Electricity Carbon Footprint Factor Data” issued by the Ministry of Ecology and Environment of the PRC</li> <li>The “Sustainability Report 2024” published by the HK Electric Investments Limited</li> </ul>	tCO <sub>2</sub> e	<b>4,218.55</b>	N/A

<sup>8</sup> Scope 3 Category 1 emissions of the Supply Chain Business represent upstream indirect GHG emissions arising from purchased subcontracting logistics services in operations. Emissions were calculated in accordance with the GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard using a spend-based method, by applying relevant industry-average emission factors derived from the U.S. EPA Supply Chain Greenhouse Gas Emission Factors (NAICS-6).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

GHG Emissions	Source of Emission Factors	Unit	2025	2024
<b>Other Indirect GHG Emissions – Scope 3</b>	Purchased Electricity • Please refer to “Scope 3 Reporting Boundary”	tCO <sub>2</sub> e	<b>333.56</b>	N/A
Category 1: Purchased Goods and Services			<b>40.18</b>	N/A
Category 5: Waste Generated in Operations			<b>291.16</b>	N/A
Category 6: Business Travel			<b>2.22</b>	N/A
<b>GHG Emissions</b>		tCO <sub>2</sub> e	<b>4,589.01</b>	N/A
<b>GHG Emissions Intensity</b>		tCO <sub>2</sub> e/m <sup>2</sup>	<b>0.17</b>	N/A
<b>Total Direct GHG Emissions – Scope 1</b>		tCO <sub>2</sub> e	<b>672.85</b>	177.83
<b>Total Indirect GHG Emissions – Scope 2</b>		tCO <sub>2</sub> e	<b>4,218.55</b>	5,206.92
<b>Total Other Indirect GHG Emissions – Scope 3</b>		tCO <sub>2</sub> e	<b>985.90</b>	3.25
<b>Total GHG Emissions</b>		tCO <sub>2</sub> e	<b>5,877.30</b>	5,388.00
<b>Total GHG Emissions Intensity</b>		tCO <sub>2</sub> e/m <sup>2</sup>	<b>0.22</b>	0.20
<b>Total GHG Emissions Intensity</b>		tCO <sub>2</sub> e/'000 HKD Revenue	<b>0.05</b>	N/A

In 2025, the Group’s total GHG emissions remained broadly consistent with 2024. Scope 1 emissions rose significantly, driven by the effective expansion of the Supply Chain Business and the increased use of company vehicles. Scope 2 emissions declined as reduced orders in the Printing Business toward year-end led to shorter working hours and therefore lower electricity consumption.

For Scope 3, the Group transitioned during the Reporting Period to adopting the GHG Protocol categories and expanded the scope of data collection. This replaced last year’s approach, which disclosed only business travel on an item basis. As a result, the Scope 3 figures show substantial changes, as expected, reflecting a more comprehensive and robust accounting methodology. Since the Group commenced its new operations in Zambia in the third quarter of 2024, comparisons with 2025 data reflect certain variances. As the current year covers a full-year dataset while the prior period does not, such differences are expected and considered normal.

## Scope 3 Reporting Boundary

Scope 3 Category	Relationship with the Group	Calculation and Emission Factors
<b>Category 1: Purchased Goods and Services</b>		
Emissions from the freshwater consumed and subcontracting logistics services.	The most significant sources of emissions are those from electricity used for freshwater processing by water suppliers, and the process, physical distribution, and logistics consulting and purchased services.	<ul style="list-style-type: none"> <li>Assessed using the supplier-specific method and the spend-based method.</li> <li>It is calculated by multiplying the freshwater consumed by the Group by the corresponding emission factor; and multiplying the services purchased for process, physical distribution, and logistics consulting services by the Group by the corresponding emission factor.</li> <li>The source of emission factors: “Annual Report 2023/24” published by the Water Supplies Department of Hong Kong, and the Supply Chain Greenhouse Gas Emission Factors v1.3 by the U.S. Environmental Protection Agency – NAICS-6.</li> </ul>
<b>Category 5: Waste Generated in Operations</b>		
Emissions from the disposal and treatment of waste generated.	Among the waste produced, the most significant sources of emission are identified as wastepaper and wastewater.	<ul style="list-style-type: none"> <li>Assessed using waste-type-specific method.</li> <li>It is calculated by multiplying the amount of waste generated by the Group by the corresponding emission factor, considering the method of disposal.</li> <li>The source of emission factors: “How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by the HKEX, and the “Environmental, Social and Governance Report 2023-24” published by the Drainage Services Department of Hong Kong.</li> </ul>
<b>Category 6: Business Travel</b>		
Emissions from the transportation of employees for business related activities.	The most significant sources of emission are identified as air travel.	<ul style="list-style-type: none"> <li>Assessed using distance-based method.</li> <li>The air travel emission is calculated by multiplying the distance travelled by specific flight class by the corresponding emission factor.</li> <li>The source of emission factors: ICAO Carbon Emissions Calculator of International Civil Aviation Organisation (“ICAO”).</li> </ul>

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Our Approach

Our Approach	
<b>Standards</b>	<ul style="list-style-type: none"> <li>The “GHG Protocol: A Corporate Accounting and Reporting Standard (2004)” issued by the World Resources Institute and the World Business Council for Sustainable Development.</li> <li>The “Global Warming Potential Values” from the Sixth Assessment Report issued by the Intergovernmental Panel on Climate Change.</li> <li>“How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” published by the HKEX.</li> </ul>
<b>Measurement Method</b>	Using operational control, as operational information is accessible
<b>Operational Boundary</b>	<ul style="list-style-type: none"> <li>Three operating locations in Hong Kong – Quarry Bay, the PRC – Heyuan, and Zambia – Ndola</li> <li>Including headquarters and operating sites</li> </ul>

## GHG Emissions Targets

As the Group updated its methodology for intensity calculations during the Reporting Period, the GHG emissions target set in 2024 is no longer applicable. To comply with the HKEX’s revised Part D: Climate-related Disclosure Requirements, effective 1 January 2025, the Group has established a new GHG emissions target with reference to the HKEX Practical Net-Zero Guide for Business. Details of the updated targets are outlined below.

Target Information		Target Setting	
<b>Target Setting</b>	By 2030, the short-term target is to reduce Scope 1 and Scope 2 GHG emissions by approximately 15% compared with 2025, the benchmark year.	<b>Scope 1 and 2: GHG emissions (tCO<sub>2</sub>e)</b>	<b>Decrease compared to the benchmark year (%)</b>
<b>Type of Target (Absolute/Intensity)</b>	Absolute	<b>Total emissions – benchmark year (2025)</b>	4,891.40 /
<b>Aim of Target</b>	In line with the Practical Net-Zero Guide for Business by HKEX, the target has been established after the Group analysing the GHG reduction potential of the value chain and identifying all practical actions.	<b>Total emissions – target (2030)</b>	4,176.89 ▼15%
<b>Progress Monitoring</b>	The Board reviews the target and performance of Scope 1 and Scope 2 GHG emissions and evaluates whether any revisions are needed.		
<b>Target Scope</b>	Covering the operating locations by the Group located in Hong Kong – Quarry Bay, the PRC – Heyuan, and Zambia – Ndola		

Current Progresses		
	<b>Scope 1 and 2: GHG emissions (tCO<sub>2</sub>e)</b>	<b>Decrease compared to the benchmark year (%)</b>
2025	4,891.40	/

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## *Measures to Mitigate Emissions*

In order to effectively reduce the emissions generated by the Group, the Group has implemented an array of measures to mitigate GHG emissions, including but not limited to the following:

- Performing periodic maintenance of our vehicles to reduce pollution and emissions;
- Replacing old, retired vehicles with low-emission vehicles where applicable;
- Prohibiting combustion of waste;
- Switching off all electronic equipment/mobile machinery when it is not in operation;
- Using more energy-efficient lighting products, such as LED lighting;
- Conducting proper and regular maintenance of equipment to keep their efficiency and reduce energy consumption; and
- Turning off lighting facilities during lunchtime, and the last employee who leaves the office/site must ensure that all lights are switched off.

## *Carbon Offset*

The Group believes that prudent and high-quality carbon offset plays a role in reducing our carbon footprint. Although the Group does not have a policy of applying a carbon price in decision making progress, we will actively explore the purchase of renewable energy certificates, including internationally recognised instruments such as I-RECs, as a means to procure verified renewable electricity attributes, seeking ways to completely offset the GHG emissions. The Group will continue to evaluate our carbon offset strategy, including procurement standards, suitable platforms and schedules. Exploring the long-term investment opportunities in carbon removal projects and gradually reducing reliance on carbon offset will be our focus.

## **SOCIAL**

### **Employment**

The Group has put a lot of effort into making sure that the Group has strictly complied with a series of labour laws in the PRC, Hong Kong and Zambia, including but not limited to the “Labour Contract Law of the PRC”, “Labour Law of the PRC”, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) and The Employment Act of Zambia. With reference to those laws and regulations, the Group has established an “Employment Policy” and “Remuneration Calculation and Compensation Policy” and “Anti-discrimination Policy” to ensure employment protection regarding compensation and dismissal, recruitment and promotion, working hours and rest periods, equal opportunity, diversity and anti-discrimination, and other benefits and welfare.

The Group believes that employees are the key asset and important component to business success, so the Group pays attention to every employee’s personal growth and has set up various channels of communication with employees to enhance employees’ sense of belonging to the Group. The Group aims to improve human resources policies and workplace facilities to always guarantee employees’ health and safety.

### **The Team**

The Group believes that a diversified and cohesive team is indispensable to the success of the business. The Group strives to ensure that the recruitment process is fair and without any discrimination.

As at 31 December 2025, the Group had a total of 345 employees (2024: 438 employees).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The breakdowns of the Group's workforce by employment type, gender, age group and geographical region are as follows:

	<b>As at 31 December 2025</b>
<b>Total Workforce</b>	345
<b><i>By Employment Type</i></b>	
Full time	344
Part time	1
<b><i>By Gender</i></b>	
Male	215
Female	130
<b><i>By Age Group</i></b>	
<25	4
25–29	18
30–39	81
40–49	102
≥50	140
<b><i>By Geographical Region</i></b>	
Hong Kong	26
The PRC	273
Zambia	46

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the employee turnover across the Group was 18% (2024: 15%), the details are as follows:

<b>Employee Turnover Rates<sup>9</sup></b>	<b>2025</b>
<b>Overall Turnover Rate</b>	18%
<b>By Gender</b>	
Male	17%
Female	18%
<b>By Age Group</b>	
<25	125%
25–29	28%
30–39	20%
40–49	22%
≥50	9%
<b>By Geographical Region</b>	
Hong Kong	12%
The PRC	21%
Zambia	2%

### Occupational Health and Safety

During the Reporting Period, the Group has complied with the “Production Safety Law of the PRC”, the “Labour Contract Law of the PRC”, the “Labour Law of the PRC”, The Occupational Health and Safety Act of Zambia and other relevant laws and regulations which stipulate requirements to maintain safe production conditions and to protect the occupational health of employees. The Group has been carrying out regular health examinations for employees engaging in potential occupational hazards, educating employees on occupational safety and sanitation, preventing workplace accidents, and reducing occupational hazards. In order to strengthen the Group’s occupational safety, improve working conditions and protect the personal interests of employees, the Group established a “Production Safety Management Policy” in the printing business line.

As the Group continues to expand its Supply Chain Business, it is enhancing the development of health and safety practices applicable to logistics and warehousing operations in Zambia, including driver and transport safety awareness, site safety procedures, incident response and role-specific training for operational personnel. In addition, the Group implemented the “Production Safety Management Policy” which defines the role and responsibilities of safety managers with regard to the implementation of all types of safety education, safety inspection and safety risk; the safety manager should closely monitor the daily operations and make sure that all staff working in the factory have complied with those safety measures; employees should be punctual and attentive in all safety training and fire drill.

<sup>9</sup> The employee turnover rate was calculated by dividing the number of employees who left the employment during the financial year by the number of employees at the end of the financial year, then multiplying the result by 100.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Furthermore, the Group has implemented safety measures at our production sites and established guidelines for workplace safety and occupational health safety, including fire safety, warehouse safety, electricity safety, work-related injuries and emergency and evacuation procedures to minimise the risk of injury to employees. The Group maintains a general register with records of accidents and dangerous occurrences. The Group has installed appropriate fire safety equipment with regular fire drills to provide fire prevention training for our staff. The Group also conducts training sessions for production staff on accident prevention and management. The Group has been awarded the quality standard certification of ISO 45001 in respect of the occupational health and safety of our working environment. Since our Group commenced Supply Chain Business operations in Zambia in 2024, the occupational health and safety management system is actively being developed. Details regarding this system will be disclosed in future reports.

During the Reporting Period, there were 8 work-related injury cases and, in the past three years including the reporting year, no fatal cases reported within the Group. In these cases, a total of 63 working days were lost because our Group promised to provide sufficient days of sick leave due to work injury to our employees. For the past three reporting periods (including the Reporting Period), there were no work-related fatalities. The Group continues to reflect on its existing safety policies and aims to continuously adapt and improve its occupational safety measures as necessary.

### Development and Training

The Group offers a comprehensive range of training programs to our employees, categorised into orientation training, on-the-job training, and specialised training. Each program is designed to support employees' personal development and meet job-specific requirements, fostering a culture of continuous learning and growth within the organisation. To provide a comprehensive understanding of the organisation, all new employees are provided with an "Employee Handbook", which outlines the Company's regulations, systems, professional behaviour standards, and code of ethics. Orientation training includes a briefing on the Group's Code of Conduct and Environmental, Health and Safety training. On-the-job training would be provided for employees in various aspects, including advanced knowledge and skills in machine operations, machinery and equipment safety training, training on gas safety in confined spaces for technicians and PPE training for factory employees. Specialised training is tailor-made for selected employees such as ISO system training for system auditors.

Our factory employees are well trained in their upcoming job nature and requirements as they are required to attend briefing sessions conducted by their seniors who explain operations techniques and precautions measures to be taken. Those daily briefings are crucial in preventing operational accidents, reducing unqualified products that lead to wastage and ensuring the quality of the final outputs to enhance customer satisfaction.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the percentage of employees trained is as follows:

<b>The percentage of employees trained<sup>10</sup></b>	<b>2025</b>
<b>Total</b>	112%
<b>By Gender</b>	
Male	61%
Female	39%
<b>By Employee Category</b>	
Entry level	78%
Middle level	17%
Management level	5%

The average training hours completed per employee are as follows:

<b>The average training hours per employee<sup>11</sup></b>	<b>2025</b>
<b>Average hours of training that employees participated in</b>	1.10
<b>By Gender</b>	
Male	1.02
Female	1.23
<b>By Employment Category</b>	
Entry level	0.58
Middle level	1.62
Management level	5.79

<sup>10</sup> The percentage of employees trained is calculated by dividing the total number of employees trained during the financial year by the total number of employees at the end of the financial year, then multiplying the result by 100; the breakdown of employees trained by category is calculated by dividing the number of employees trained in a specific category during the financial year by the total number of employees trained during the financial year, then multiplying the result by 100.

<sup>11</sup> The average training hours are calculated by dividing the total number of training hours during the financial year by the number of employees at the end of the financial year.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## Labour Standard

During the Reporting Period, the Group has strictly complied with a series of labour laws in the PRC, Hong Kong and Zambia including but not limited to the “Labour Contract Law of the PRC”, the “Labour Law of the PRC”, the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), and The Employment Act of Zambia.

To prevent inappropriate physical and manual work for children and uphold the rights and interests of employees, the Group has established a “Child Labour Policy” and an “Anti-forced Labour Policy”. Our rigorous recruitment process ensures compliance with these policies. Upon receiving a candidate’s resume, the Human Resources Department conducts thorough background checks to verify the authenticity of the personal information provided. During the interview process, we meticulously examine the applicant’s original identity card and conduct detailed inquiries to confirm that the Group does not engage in the employment of child labour. If any irregularities in the employment of child labour are discovered, the Group will terminate the contract immediately and may pursue legal action as necessary. This commitment reflects our dedication to ethical labour practices and the protection of human rights within our operations.

The Group is committed to the prevention of forced labour and has implemented clear policies to ensure fair labour practices. We maintain well-defined working hour regulations that comply with local laws and international standards. In the event of any violations, we have established robust procedures for investigation and remediation. Employees are encouraged to report any concerns confidentially, and we take swift action to address any instances of non-compliance, ensuring that all employees work in an environment free from coercion and exploitation. Our proactive approach underscores our dedication to upholding human rights and promoting ethical labour practices throughout our operations.

## Supply Chain Management

In light of the Group’s business transformation, supply chain governance during the Reporting Period covered both (i) service-related partners supporting the Supply Chain Business, including logistics, warehousing and transportation-related counterparties; and (ii) suppliers supporting the Printing Business, including paper and other production inputs.

For the Supply Chain Business, the Group places emphasis on partner selection and ongoing performance monitoring with reference to service capability, legal and regulatory compliance, business integrity, operational reliability, and, where applicable, environmental and occupational safety considerations. For the Printing Business, the Group continues to assess suppliers based on product quality, qualifications, environmental performance and social responsibility, and endeavours to source from FSC/CoC-certified paper suppliers where appropriate.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has established a “Purchase Quotation Process Policy” to closely monitor the performance of the supplier to ensure the quality of raw materials. The Group believes supply chain management can maximise customer value and achieve sustainable competitive advantages. The Group’s goal is to maintain a long-term strategic partnership with renowned suppliers, high-quality service and a strong sense of social responsibility. The Group also regularly reviews the suppliers’ performance and obtains relevant licenses to better control and guarantee the quality of their products and services. The Group evaluates all potential suppliers’ backgrounds, qualifications, expertise, experience, financial status, professionalism, etc. Moreover, social and environmental aspects are also important criteria for supplier selection. The Group will not select suppliers with poor environmental performance or reputation to promote environmentally preferable products in the industry. All approved suppliers are reviewed regularly to ensure the quality of the services and products purchased is up to standard.

There was a total of 23 approved suppliers, 4 in Hong Kong, 14 in the PRC, and 5 in Zambia during the Reporting Period. The Group conducts an annual evaluation of its suppliers to assess their compliance with established standards.

### Product and Service Quality

During the Reporting Period, the Group remained committed to maintaining responsible product and service practices across its two principal business lines. As the Supply Chain Business continued to expand, the Group increasingly focused on service quality, delivery coordination, customer communication and operational reliability in relation to its logistics and warehousing-related services. At the same time, the Group continued to uphold product quality assurance standards for its Printing Business through established inspection, corrective action and complaint handling procedures.

To effectively control unqualified products and prevent the unintended use and shipment of unqualified products, “Unqualified Products Control Procedures” are specially formulated. The quality control department would initiate corrective and preventive procedures to report unqualified samples selected from the production line with clear explanations of the problems so as to notify the relevant production line to implement corrective measures such as full inspection, qualified goods selection, reproduction or scrap. Those corrective measures adopted by the production lines are recorded in the corrective and preventive report for future reference and to avoid similar mistakes.

Besides, the Group has formulated an “Improvement Procedure” with an aim to establish a sound improvement system to investigate and analyse the causes of potential and unqualified items and take timely measures to prevent potential or unqualified recurrence or occurrence, so that the quality of products and services can be controlled and continuously improved.

In the event of product failure with a quality issue which is not caused by improper use by customers, the Group will recall the products and provide replacements to customers if the issue is caused by the Group according to the Group’s investigation. The warehouse will count the total number of returned products, and the Group’s Production Material Control (“**PMC**”) team will investigate the incidents and issue a report to the manager of the quality control department that outlines the responsible department for the product failure, the problem analysed, and the corrective actions identified and implemented.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

There was no product sold or shipped subject to recalls for safety or health reasons during the Reporting Period.

### Our Products and Service

During the Reporting Period, the Group has complied with the “Regulations on the Administration of Printing Industry” promulgated and implemented by the PRC State Council and obtained relevant licenses for printing operations. During the Reporting Period, the Group also strictly followed the “Temporary Regulations for the Qualifications of the Operators in the Printing Industry” promulgated and implemented by the General Administration of Press and Publication (the “**GAPP**”) of the PRC which specifies the qualifications required for enterprises engaged in printing operations. According to this regulation, enterprises undertaking decoration and packaging printing shall have fixed production and operation places suitable for the operation of printing. The Group integrates the concept of environmental protection into our internal management and daily operation activities. It is honoured with the ISO 14001 environmental management certification to achieve the goal of environmental sustainability.

To export products, the Group strictly follows the requirements and cooperate with the statutory authorities concerning the relevant laws and regulations which are set out in the “Regulations for the Implementation of the Law of PRC on Import and Export Commodity Inspection” and coordinate with the compulsory inspection of our products regarding the quality, quantity, packaging and requirements for safety, hygiene, health, environmental protection and anti-fraud protection.

Given that our Group’s Supply Chain Business operations in Zambia are relatively new, we are committed to deliver high-quality service despite having limited control at this stage. We focus on understanding customer needs, providing professional training to our staff, and establishing advanced supply chain management service systems in the short future. Additionally, we aim to establish feedback mechanisms for continuous improvement and partner with reliable collaborators to ensure a stable and efficient Supply Chain Business.

The Group values customer relations as they are integral to the success of its business. We pledge to offer high-quality after-sales service to our customers and take customer complaints seriously. All the feedback and complaints are recorded in our customer complaint register, detailing information such as the cause of the complaint, the product concerned, follow-up actions, results, etc. By keeping track of all the complaints, we can ensure that our customers’ concerns have been dealt with accordingly while implementing the rectifications promptly.

The Group works to create good client experience by providing quality products and services that suit customers’ needs. We welcome feedback from our customers and provide them with various ways of solving their problems. During the Reporting Period, 8 cases of product and service-related complaints were received, and all complaints have been solved in a timely manner.

## Data Privacy

In order to build customer trust and loyalty, the Group has established measures to reduce the risk of employees leaking confidential information to outsiders.

The Group restricts the use of customers' personal data for any purpose other than what has been stated in customer contracts. If any employee has been discovered to have misappropriated customers' private data, the Group will take disciplinary action against the employee concerned and reserve its right to legal action. Moreover, non-disclosure agreements are signed by the employees of the Group to ensure that they are aware of their legally binding obligations to protect the confidential information of the Group.

## Intellectual Property Rights

The Group closely monitors the behaviour of the employees to avoid any misappropriation of clients' intellectual property. The Group has established a "Customers' Property Control Procedure" to protect the property provided by customers. For instance, the Group's PMC team is responsible for confirming and accepting relevant materials and incoming samples provided by customers. The warehouse is responsible for the storage and protection of customers' properties. Security checks are carried out whenever vehicles and employees leave the factory area to avoid theft cases.

In addition to safeguarding clients' intellectual property from infringement or defamation, the Group is committed to ensuring that the materials provided by clients do not violate the intellectual property rights of others. If there are any concerns regarding a client's ownership of intellectual property, the PMC team will require clients to submit a declaration form to confirm their authorisation to use such intellectual property. During the Reporting Period, the Group has successfully maintained its integrity, with no litigation claims related to intellectual property infringement.

During the Reporting Period, the Group complied with all laws and regulations related to intellectual property rights in the PRC, Hong Kong and Zambia that have a significant impact on it, including but not limited to the "Trademark Law of the PRC", the "Copyright Law of the PRC", the Copyright Ordinance (Cap. 528 of the Laws of Hong Kong), and the Copyright and Performance Rights Act of Zambia.

## Anti-corruption

During the Reporting Period, the Group observed the "Criminal Law of the PRC", "Anti-Money Laundering Law of the PRC", the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong), and the Anti-Corruption Commission Act of Zambia. Employees are strictly prohibited from engaging in illegal activities, including but not limited to bribery, fraud and misappropriation. Upon employment, all employees are requested to sign an "Anti-bribery & Corruption Commitment" and promise to reject and not engage in commercial bribery and corruption-related activities.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has a “Whistle-blowing Policy” in place to encourage employees to report suspicious fraudulent activities. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation. Therefore, the employee(s) reporting in good faith under this procedure shall be assured of the protection against unfair termination or victimisation, even if the reports are subsequently proved to be unsubstantiated.

The Group will actively combat any money laundering using public or private accounts and ensure that there are no corruption and bribery within the Group. If employees want to report any suspicious corruption cases, they can report to the relevant management by telephone, e-mail, or letter.

During the Reporting Period, the Group provided business ethics orientation to new employees, including training on anti-corruption practices. In addition, all members of the Board received a total of 8 hours of anti-corruption training. No cases of corruption or money laundering were reported during the Reporting Period.

### Community Investment

The Group understands that the enterprise’s development depends on the community’s support. Meanwhile, the Group has also shown the spirit of serving the communities where the Group operates and has been actively involved in community investment. The Group encourages our employees to participate and contribute to society, as a sustainable business is dependent on the stability and well-being of our community.

In 2025, the Group participated in two community investment initiatives: "Donation of Furniture to Residents from Wang Fuk Court Living in Transitional Housing Units", and "A Taste of Kindness: Korean Food Sharing with the Taipo Community", these initiatives offered valuable opportunities for us to deepen our understanding of local needs and strengthen our connection with the people we serve, reflecting our belief that long-term business growth is closely intertwined with the well-being of society. Details of the activities are provided below:

#### Donation of Furniture to Residents from Wang Fuk Court Living in Transitional Housing Units

In 2025 November, the devastating fire at Wang Fuk Court in Hong Kong left many residents homeless, and the Group promptly stepped in to provide assistance. The Group have allocated a sum of HKD190,000 to purchase pieces of furniture for the residents in T-Loft Kai Tak and Ma On Shan. With the Capacity of housing more 500 households, the transitional housing has accommodated 60 households from Wang Fuk Court. Thanks to the support by the operation team of T-Loft, a list of wished items was made for the purchase, enabling the donation to meet the daily needs of the residents.



The donated furniture includes 39 TV cabinets, 37 foldable dining tables and 7 cupboards. All of them were delivered to T-Loft and assembled on 22 and 23 December 2025. Representatives from the Group visited T-Loft on the morning of 23 December 2025. A brief guided tour in the housing area was conducted to take a glance at the facilities provided by Tung Wah Groups of Hospital. The Group's representatives also had a chance to have a short conversation with the operation team and residents, understanding the living conditions and needs of the residents and exploring possibilities to further support those who are in need due to the fire.

Further support will be delivered by the Group in collaboration with other stakeholders to Wang Fuk Court residents, helping them rebuild their lives and get back on track. This initiative is a testament to the Group's belief that corporate success is intrinsically linked to societal well-being, and that meaningful ESG efforts can create lasting positive change for communities in Hong Kong.

### **A Taste of Kindness: Korean Food Sharing with the Taipo Community**

Partnering with the Caritas Hong Kong and the Immaculate Heart of Mary Parish, the Group was honoured to sponsor a snack booth serving Korean food, such as Kimbap, Kimchi and cucumber salad on 14 and 21 December 2025. Three corporate volunteers from the Group were also deployed to support the event. The event was held in the mornings of 14 and 21 December 2025, aiming to provide a festive release.

More than 150 attendees enjoyed the free Korean food, hand drip coffees and handcraft workshops in the sunshine after going to Mass. Apart from the free catering, the Group also provided corporate volunteering support. Through the charity, our colleagues worked with the Caritas staff, arranging the pick-up and distribution of the Korean delicacy on the two days.

After enjoying the food, some of the visitors expressed their appreciation for the kindness of the Group. Caritas also expressed their gratitude for the support delivered by the Group and the Han's, the Korean food caterer.



The Group will continue to fulfill its commitment by working with different stakeholders at the local level in the future

## HKEX ESG REPORTING CODE CONTENT INDEX

Aspect	Description	Disclosure	Chapter/ Section
<b>Part B: Mandatory Disclosure Requirements</b>			
<b>Governance Structure</b>	<p>13. A statement from the board containing the following elements:</p> <p>(i) a disclosure of the board’s oversight of ESG issues;</p> <p>(ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and</p> <p>(iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses.</p>	Disclosed	ESG Management
<b>Reporting Principles</b>	<p>14. A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <p><b>Materiality:</b> The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement.</p> <p><b>Quantitative:</b> Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed.</p> <p><b>Consistency:</b> The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.</p>	Disclosed	Reporting Framework
<b>Reporting Boundary</b>	<p>15. A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	Disclosed	Reporting Scope and Boundary

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Part C: “Comply or explain” Provisions</b>			
<b>A. Environmental</b>			
<b>Aspect A1: Emissions</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Disclosed	Environmental
KPI A1.1	The types of emissions and respective emissions data.	Disclosed	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Disclosed	Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Disclosed	Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Disclosed	Waste Management
<b>Aspect A2: Use of Resources</b>			
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Disclosed	Environmental; Energy Efficiency
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Disclosed	Energy Efficiency
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Disclosed	Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Disclosed	Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Disclosed	Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Disclosed	Packaging Materials

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Aspect A3: The Environment and Natural Resources</b>			
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Disclosed	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Disclosed	The Environment and Natural Resources
<b>B. Social</b>			
<b>Aspect B1: Employment</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Disclosed	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Disclosed	The Team
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Disclosed	The Team
<b>Aspect B2: Health and Safety</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Disclosed	Occupational Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Disclosed	Occupational Health and Safety
KPI B2.2	Lost days due to work injury.	Disclosed	Occupational Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Disclosed	Occupational Health and Safety

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Aspect B3: Development and Training</b>			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Disclosed	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Disclosed	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Disclosed	Development and Training
<b>Aspect B4: Labour Standards</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Disclosed	Labour Standard
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Disclosed	Labour Standard
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Disclosed	Labour Standard
<b>Aspect B5: Supply Chain Management</b>			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Disclosed	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Disclosed	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Disclosed	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Disclosed	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Disclosed	Supply Chain Management

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Aspect B6: Product Responsibility</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Disclosed	Product Quality Assurance; Our Products and Service; Intellectual Property Rights; Data Privacy
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Disclosed	Product Quality Assurance
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Disclosed	Our Products and Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Disclosed	Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Disclosed	Product Quality Assurance
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Disclosed	Data Privacy
<b>Aspect B7: Anti-corruption</b>			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Disclosed	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Disclosed	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored	Disclosed	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Disclosed	Anti-corruption
<b>Aspect B8: Community Investment</b>			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Disclosed	Community Investment
KPI B8.1	Focus areas of contribution (e.g., education, environmental concerns, labour needs, health, culture, sport).	Disclosed	Community Investment
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Disclosed	Community Investment

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Part D: Climate-related Disclosures</b>			
<b>(I) Governance</b>			
19	<p>(a) An issuer shall disclose information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the issuer shall identify that body(s) or individual(s) and disclose information about:</p> <ul style="list-style-type: none"> <li>(i) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;</li> <li>(ii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;</li> <li>(iii) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the issuer's strategy, its decisions on major transactions, and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and</li> <li>(iv) how the body(s) or individual(s) oversees the setting of, and monitors progress towards, targets related to climate-related risks and opportunities (see paragraphs 37 to 40), including whether and how related performance metrics are included in remuneration policies (see paragraph 35); and</li> </ul> <p>(b) management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:</p> <ul style="list-style-type: none"> <li>(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and</li> <li>(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.</li> </ul>	Disclosed	Sustainability Governance

Aspect	Description	Disclosure	Chapter/ Section
<b>(II) Strategy</b>			
<b>Climate-related Risks and Opportunities</b>			
20	<p>An issuer shall disclose information to enable an understanding of climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term. Specifically, the issuer shall:</p> <p>(a) describe climate-related risks and opportunities that could reasonably be expected to affect the issuer’s cash flows, its access to finance or cost of capital over the short, medium or long term;</p> <p>(b) explain, for each climate-related risk the issuer has identified, whether the issuer considers the risk to be a climate-related physical risk or climate-related transition risk;</p> <p>(c) specify, for each climate-related risk and opportunity the issuer has identified, over which time horizons – short, medium or long term – the effects of each climate-related risk and opportunity could reasonably be expected to occur;</p> <p>(d) explain how the issuer defines ‘short term’, ‘medium term’ and ‘long term’ and how these definitions are linked to the planning horizons used by the issuer for strategic decision-making.</p>	Disclosed	Climate Change
<b>Business model and value chain</b>			
21	<p>An issuer shall disclose information that enables an understanding of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain. Specifically, the issuer shall disclose:</p> <p>(a) a description of the current and anticipated effects of climate-related risks and opportunities on the issuer’s business model and value chain; and</p> <p>(b) a description of where in the issuer’s business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).</p>	Disclosed	Climate Change

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Strategy and decision-making</b>			
22	<p>An issuer shall disclose information that enables an understanding of the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the issuer shall disclose:</p> <p>(a) information about how the issuer has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the issuer plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the issuer shall disclose information about:</p> <p>(i) current and anticipated changes to the issuer’s business model, including its resource allocation, to address climate-related risks and opportunities;</p> <p>(ii) current and anticipated adaptation and mitigation efforts (whether direct or indirect);</p> <p>(iii) any climate-related transition plan the issuer has (including information about key assumptions used in developing its transition plan, and dependencies on which the issuer’s transition plan relies), or an appropriate negative statement where the issuer does not have a climate-related transition plan; and</p> <p>(iv) how the issuer plans to achieve any climate-related targets (including any greenhouse gas emissions targets (if any)); and</p> <p>(b) information about how the issuer is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 22(a).</p>	Disclosed	Climate Change
23	<p>An issuer shall disclose information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 22(a).</p>	Disclosed	Climate Change

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Financial position, financial performance and cash flows</b>			
24	An issuer shall disclose qualitative and quantitative information about: (a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period; and (b) the climate-related risks and opportunities identified in paragraph 24(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.	Disclosed	Climate Change
25	The issuer shall provide qualitative and quantitative disclosures about: (a) how the issuer expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration: (i) its investment and disposal plans; and (ii) its planned sources of funding to implement its strategy; and (b) how the issuer expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Disclosed	Climate Change

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
	<p>(6) time horizons the issuer used in the analysis; and</p> <p>(7) what scope of operations the issuer used in the analysis (for example, the operation, locations and business units used in the analysis);</p> <p>(ii) the key assumptions the issuer made in the analysis; and</p> <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>		
<b>(III) Risk Management</b>			
27	<p>An issuer shall disclose information about:</p> <p>(a) the processes and related policies it uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <p>(i) the inputs and parameters the issuer uses (for example, information about data sources and the scope of operations covered in the processes);</p> <p>(ii) whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related risks;</p> <p>(iii) how the issuer assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the issuer considers qualitative factors, quantitative thresholds or other criteria);</p> <p>(iv) whether and how the issuer prioritises climate-related risks relative to other types of risks;</p> <p>(v) how the issuer monitors climate-related risks; and</p> <p>(vi) whether and how the issuer has changed the processes it uses compared with the previous reporting period;</p> <p>(b) the processes the issuer uses to identify, assess, prioritise and monitor climate-related Opportunities (including information about whether and how the issuer uses climate-related scenario analysis to inform its identification of climate-related opportunities); and</p> <p>(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the issuer's overall risk management process.</p>	Disclosed	Climate Change

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>(IV) Metrics and Targets</b>			
<b>Greenhouse Gas Emissions</b>			
28	<p>An issuer shall disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tons of CO<sub>2</sub> equivalent, classified as:</p> <ul style="list-style-type: none"> <li>(a) Scope 1 greenhouse gas emissions;</li> <li>(b) Scope 2 greenhouse gas emissions; and</li> <li>(c) Scope 3 greenhouse gas emissions.</li> </ul>	Disclosed	Climate Change
29	<p>An issuer shall:</p> <ul style="list-style-type: none"> <li>(a) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or another exchange on which the issuer is listed to use a different method for measuring greenhouse gas emissions;</li> <li>(b) disclose the approach it uses to measure its greenhouse gas emissions including:                             <ul style="list-style-type: none"> <li>(i) the measurement approach, inputs and assumptions the issuer uses to measure its greenhouse gas emissions;</li> <li>(ii) the reason why the issuer has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and</li> <li>(iii) any changes the issuer made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;</li> </ul> </li> <li>(c) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 28(b), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to enable an understanding of the issuer's Scope 2 greenhouse gas emissions; and</li> <li>(d) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 28(c), disclose the categories included within the issuer's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011).</li> </ul>	Disclosed	Climate Change

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Climate-related Transition Risks</b>			
30	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related transition risks.	Disclosed	Climate Change; Transition Risks and Opportunities
<b>Climate-related Physical Risks</b>			
31	An issuer shall disclose the amount and percentage of assets or business activities vulnerable to climate-related physical risks.	Disclosed	Physical Risks
<b>Climate-related Opportunities</b>			
32	An issuer shall disclose the amount and percentage of assets or business activities aligned with climate-related opportunities.	Disclosed	Transition Risks and Opportunities
<b>Capital Deployment</b>			
33	An issuer shall disclose the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.	Disclosed	Climate Change
<b>Internal Carbon Prices</b>			
34	An issuer shall disclose: (a) an explanation of whether and how the issuer is applying a carbon price in decision-making (for example, investment decisions, transfer pricing, and scenario analysis); and (b) the price of each metric tonne of greenhouse gas emissions the issuer uses to assess the costs of its greenhouse gas emissions; or an appropriate negative statement that the issuer does not apply a carbon price in decision-making.	Disclosed	Carbon Offset
<b>Remuneration</b>			
35	An issuer shall disclose whether and how climate-related considerations are factored into remuneration policy, or an appropriate negative statement. This may form part of the disclosure under paragraph 19(a)(iv).	Disclosed	Sustainability Governance

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
<b>Industry-based Metrics</b>			
36	<p>An issuer is encouraged to disclose industry-based metrics that are associated with one or more particular business models, activities or other common features that characterise participation in an industry. In determining the industry-based metrics that the issuer discloses, an issuer is encouraged to refer to and consider the applicability of the industry-based metrics associated with disclosure topics described in the IFRS S2 Industry-based Guidance on implementing Climate-related Disclosures and other industry-based disclosure requirements prescribed under other international ESG reporting frameworks.</p>	Disclosed	Climate Change
<b>Climate-related Targets</b>			
37	<p>An issuer shall disclose (a) the qualitative and quantitative climate-related targets the issuer has set to monitor progress towards achieving its strategic goals; and (b) any targets the issuer is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the issuer shall disclose:</p> <ul style="list-style-type: none"> <li>(a) the metric used to set the target;</li> <li>(b) the objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);</li> <li>(c) the part of the issuer to which the target applies (for example, whether the target applies to the issuer in its entirety or only a part of the issuer, such as a specific business unit or geographic region);</li> <li>(d) the period over which the target applies;</li> <li>(e) the base period from which progress is measured;</li> <li>(f) milestones or interim targets (if any);</li> <li>(g) if the target is quantitative, whether the target is an absolute target or an intensity target; and</li> <li>(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.</li> </ul>	Disclosed	GHG Emissions Targets

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
38	<p>An issuer shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:</p> <p>(a) whether the target and the methodology for setting the target has been validated by a third party;</p> <p>(b) the issuer's processes for reviewing the target;</p> <p>(c) the metrics used to monitor progress towards reaching the target; and</p> <p>(d) any revisions to the target and an explanation for those revisions.</p>	Disclosed	GHG Emissions Targets
39	<p>An issuer shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the issuer's performance.</p>	Disclosed	GHG Emissions Targets
40	<p>For each greenhouse gas emissions target disclosed in accordance with paragraphs 37 to 39, an issuer shall disclose:</p> <p>(a) which greenhouse gases are covered by the target;</p> <p>(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target;</p> <p>(c) whether the target is a gross greenhouse gas emissions target or a net greenhouse gas emissions target. If the issuer discloses a net greenhouse gas emissions target, the issuer is also required to separately disclose its associated gross greenhouse gas emissions target;</p> <p>(d) whether the target was derived using a sectoral decarbonisation approach; and</p> <p>(e) the issuer's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits, the issuer shall disclose:</p> <p>(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;</p> <p>(ii) which third-party scheme(s) will verify or certify the carbon credits;</p>	Disclosed	GHG Emissions Targets

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Aspect	Description	Disclosure	Chapter/ Section
	<p>(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and</p> <p>(iv) any other factors necessary to enable an understanding of the credibility and integrity of the carbon credits the issuer plans to use (for example, assumptions regarding the permanence of the carbon offset).</p>		
<b>Applicability of Cross-industry Metrics and Industry-based Metrics</b>			
41	<p>In preparing disclosures to meet the requirements in paragraphs 21 to 26 and 37 to 38, an issuer shall refer to and consider the applicability of cross-industry metrics (see paragraphs 28 to 35) and (ii) industry-based metrics (see paragraph 36).</p>	Disclosed	Climate Change

# CORPORATE GOVERNANCE REPORT

The Board is pleased to present this corporate governance report for FY2025 which highlights the key corporate governance practices of the Company.

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving high standards of corporate governance to enhance its corporate value and safeguard the interests of the shareholders of the Company (the “**Shareholders**”). The Company has adopted the Corporate Governance Code in Appendix C1 to the Listing Rules (the “**CG Code**”) as its own code of corporate governance. During FY2025, the Company has applied the principles of good corporate governance, and has fully complied with the code provisions after the change of Chief Executive Officer as set out below and, where applicable, the recommended best practices as set out in the CG Code.

Code Provision C.2.1 of the CG Code provides that the roles of chairman and chief executive officer should not be performed by the same individual. Mr. NG Ho Lun (“**Mr. Ng**”) performed the roles of chairman and chief executive officer of the Company until the change of chief executive officer on 22 May 2025. Despite of the deviation from the code provision C.2.1, the Board believes that with the support of the management, vesting the roles of both chairman of the Board and chief executive officer on Mr. Ng could facilitate the execution of the Group’s business strategies and provide a strong and consistent leadership to improve the Company’s efficiency in decision-making following the review of the aforementioned items. Moreover, under the supervision of other existing members of the Board including the independent non-executive Directors, the Board was appropriately structured with balance of power to provide sufficient checks to protect the interest of the Company and its shareholders.

In order to set out clearer division of responsibilities at the board level and the management team to ensure a more proper segregation of the management of the board of the Company and the management of the Group’s business as required pursuant to the code provision C.2.1 of the CG Code as set out in the Appendix C1 to the Listing Rules, as mentioned under the paragraph “UPDATE ON INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES”, Mr. Ng resigned as the Chief Executive Officer with effect from 22 May 2025 while remains as an executive Director of the Company and the chairman of the Board to provide his valuable insight and perspective to the Board. Mr. CHU Lok Fung Barry (“**Mr. Chu**”), who is currently an executive Director, has been appointed as the Chief Executive Officer with effect from 22 May 2025. Mr. Chu will oversee the management of the Group’s business. Upon the change of Chief Executive Officer, the Company has fully complied with all applicable code provisions of the CG Code.

The Board will continue to monitor and renew the Company’s corporate governance practices to ensure compliance with the CG Code.

The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems, on an ongoing basis.

The Board conducted reviews of the system of risk management and internal controls of the Group to ensure an effective and adequate risk management and internal control system is in place at Audit Committee meeting at least annually. The Board also conducted meetings to discuss financial, operational and compliance control.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules. Specific enquiries have been made of all Directors and all Directors have confirmed that they have fully complied with the required standard of dealings as set out the Model Code during FY2025.

### BOARD OF DIRECTORS

#### Board responsibilities and Delegation

The Company is governed by the Board, which is responsible for overseeing the overall strategy and development of the Company, as well as continuously monitoring and improving the internal control policies of the Group and evaluating the financial performance of the Group. The Board sets the overall strategies and directions for the Group with a view to developing its business and enhancing the Shareholders' value. The independent non-executive Directors serve the relevant function of bringing independent judgement on the development, performance and risk management of the Group through their contributions in board meetings. They are also serving on the audit committee of the Board ("**Audit Committee**"), remuneration committee of the Board ("**Remuneration Committee**") and nomination committee of the Board ("**Nomination Committee**").

The Board has adopted a set of guidelines on matters that require its approval to achieve a clear division of the responsibilities of the Board and the management. Matters requiring the Board's approval include, among others, review of overall policies and objectives for corporate contributions and approval of corporate plan of the Company and any significant changes thereto, investment plans which would involve significant commitments of financial, technological or human resources, or would involve significant risks for the Company, significant sales, transfers, or other dispositions of property or assets, significant changes in policies of broad application, major organisational changes, approval of annual reports, and review of semi-annual and quarterly financial and operating results, other matters relating to the Company's business which in the judgment of the management are of such significance as to merit the Board's consideration, and adoption of such policies and the taking of such other actions as the Board deems to be in the best interests of the Company.

Minutes of Board meetings and Board committees meetings are kept by duly appointed secretaries of the respective meetings. All Directors have unrestricted access to Board papers and related materials and are provided with adequate information on a timely manner, which enable the Board to make an informed decision on matters placed before it.

The Company has arranged appropriate insurance cover in respect of possible legal actions against its Directors and senior officers.

#### Responsibilities and Delegation

The Board is accountable to the Shareholders for the development of the Group with the goal of maximising Shareholders' value in the long run. The Board also takes the responsibility for the overall strategies and policies of the Group, approves and monitors the strategic plans, investment and funding decisions, and reviews the Group's financial and operational performance and internal controls. The Group's day-to-day operations and administration are overseen by the executive Directors and the management.

## CORPORATE GOVERNANCE REPORT

The Board is responsible for setting the strategic direction and policies of the Group and supervising the management of the Company. Some functions including the monitoring and approval of material transactions, matters involving a conflict of interest for a substantial Shareholder or Director, the approval of interim and annual results, declaration of interim dividends and proposal of final dividends and other disclosures to the public or regulators are reserved by the Board for consideration and approval. Matters not specifically reserved to the Board and necessary for the daily management and operation of the Company are delegated to the executive Directors and the management of the Company.

### DIRECTORS' TRAINING AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company would provide a comprehensive induction package covering the summary of the operations and business, constitutional documents, the latest published financial reports of the Company, "A Guide on Directors' Duties" issued by the Companies Registry of Hong Kong and the Guidelines for Directors and the Guide for independent non-executive Directors published by the Hong Kong Institute of Directors to each newly appointed Director to ensure that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and other regulatory requirements.

The Company Secretary reports from time to time the latest changes and development of the Listing Rules, corporate governance practices and other regulatory regime to the Directors with written materials, as well as organising seminars on the professional knowledge and latest development of regulatory requirements related to directors' duties and responsibilities.

Pursuant to the requirements of the CG Code, all Directors should provide their records of continuous professional development to the Company. Confirmations and records are obtained by each director for their participation in continuous professional development as required by rules 3.09F, 3.09G and 3.09H during the reporting period. According to the records provided by the Directors, the training received by each of them during FY2025 is summarised as follows:

	Number of training hours		Training received
	(1)	(2)	Notes
<b>Executive Directors</b>			
Mr. Ng Ho Lun	5	11	(1)(2)
Mr. Chu Lok Fung Barry	20	66	(1)(2)
Mr. Chen Kun	5	13	(1)(2)
Mr. Lam Tak Ling Derek	2	10	(1)(2)
<b>Independent Non-executive Directors</b>			
Dr. Wu Ka Chee Davy	3	20	(1)(2)
Mr. Yiu Ho Chi Stephen	5	18	(1)(2)
Ms. Law Ying Wai Denise	2.5	19.5	(1)(2)

*Notes:*

- (1) Reading articles/other materials in relation to legal and regulatory changes which are relevant for the Directors in discharging their duties.
- (2) Participation in seminars/conferences/courses/workshops on subjects relating to directors' duties, and financial, legal and corporate governance matters.

While there are no prescribed training hours as such under the Listing Rules, considering the scope and scale of the Company's business, Directors are expected to undertake no less than eight hours of relevant training in each financial year. All Directors as disclosed above confirmed that they have complied with Code Provision C.1.4 of the CG Code on directors' continuous professional development during FY2025.

The Group acknowledges the importance of adequate and ample continuing professional development for the Directors for a sound and effective internal control system and corporate governance. In this regard, the Group has always encouraged our Directors to attend relevant training courses to receive the latest news and knowledge regarding corporate governance.

During FY2025, the Company has engaged all Directors to attend an online training course provided by its legal advisor on the updates of the Listing Rules concerning good corporate governance practices. The Company will, if necessary, provide timely and regular trainings to the Directors to ensure that they are kept abreast with the latest requirements under the Listing Rules. The Group has also adopted a policy to reimburse the Directors for any relevant training costs and expenses incurred concerning corporate governance and internal control.

## BOARD COMPOSITION

The Board currently comprises four executive Directors and three independent non-executive Directors. The individual attendance records of each Director at the Board and Committees' meetings during FY2025 are set out as follows:

Name of Director	Date of first Appointment to the Board	Date of last re-election at general meetings	Meeting attended/Meetings held:					
			Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	Annual general meeting	Extraordinary general meeting
<b>Executive Directors</b>								
Mr. Ng Ho Lun	07 Jul 2023	19 May 2025	6/6	—	1/1	—	1/1	—
Mr. Chu Lok Fung Barry	07 Jul 2023	19 May 2025	6/6	—	—	1/1	1/1	—
Mr. Chen Kun	07 Jul 2023	27 May 2024	6/6	—	—	—	1/1	—
Mr. Lam Tak Ling Derek	07 Jul 2023	19 May 2025	6/6	—	—	—	1/1	—
<b>Independent Non-executive Directors</b>								
Dr. Wu Ka Chee Davy	07 Jul 2023	27 May 2024	6/6	2/2	—	1/1	1/1	—
Mr. Yiu Ho Chi Stephen	07 Jul 2023	27 May 2024	6/6	2/2	1/1	1/1	1/1	—
Ms. Law Ying Wai Denise	07 Jul 2023	27 May 2024	6/6	2/2	1/1	—	1/1	—

## CORPORATE GOVERNANCE REPORT

In compliance with the Listing Rules, the Company has appointed a sufficient number of independent non-executive Directors with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The Company has received an annual confirmation from each independent non-executive Director confirming his independence pursuant to the Listing Rules. The Company considers all of the independent non-executive Directors to be independent. The independent non-executive Directors and executive Directors ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards, rules and regulations, and that appropriate systems are in place to protect the interests of the Company and its Shareholders.

Each independent non-executive Director is not appointed for a specific term but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company (the “**Articles of Association**”). All independent non-executive Directors had attended the annual general meeting held on 19 May 2025.

### Directors’ Skills and Experience Matrix

	Executive leadership & strategy/ directorship or senior executive experience with other listed company(ies)	International business (including Mainland China, USA or Europe)	Capital market expertise and investment experience	Accounting professionals/ financial management expertise	Legal professionals/ regulatory & compliance/ risk management
Mr. NG Ho Lun		•	•		
Mr. CHU Lok Fung Barry	•	•	•	•	•
Mr. CHEN Kun	•	•			•
Mr. LAM Tak Ling Derek		•	•		
Dr. WU Ka Chee Davy	•	•		•	•
Mr. YIU Ho Chi Stephen	•	•	•	•	•
Ms. LAW Ying Wai Denise	•	•	•	•	

The biographical details of the Directors are set out in the section headed “Biographies of Directors and Senior Management” of this report. To the best knowledge of the Company, there are no financial, business, family or other material/relevant relationships between the Board members.

The Board has maintained a balance of skills and experiences appropriate for the requirements of the businesses of the Group. Its composition represents a mixture of management, accounts and finance, marketing, manufacturing and procurement with comprehensive experience in and exposure to diversified businesses. It is the opinion of the Directors that the Board has the necessary skills and experience appropriate for discharging their duties as Directors in the best interest of the Company.

### DIVERSITY POLICY

The Company has adopted the board diversity policy. The policy sets out the approach to achieve diversity in the Board that should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business and compliance with policies. The composition and diversity policies of the Board is reviewed annually and regularly. The Board should ensure that its changes in composition will not result in any undue interference. The Board members should possess appropriate professionalism, experience and trustworthiness in performing duties and functions. The Board would diversify its members according to the Company's situations and need. While participating in nomination and recommendation of director candidates during the year, each member of the Board may consider a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, or professional experience in achieving diversity for the benefit of the Company's various business development and management. The Board is to review the policy concerning diversity of Board members, and to disclose the policy or a summary of the policy, including any quantitative targets and standards and its progress with policy implementation.

The Nomination Committee is responsible for reviewing and monitoring the implementation of the Board Diversity Policy to ensure the effectiveness of the Board Diversity Policy.

As at the date of this report, the Board comprises seven Directors. Three of the Directors are independent non-executive Directors and four are executive Directors. The Board believes that gender diversity is a representing manifestation of Board diversity, among all other measurable objectives. While the Board has a domination of male composition, the Company has one female Director achieving a female representation in the Board. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board, and the Board targets to maintain at least the current level of female representation in the future. The Board is also characterised by significant diversity, whether considered in terms of professional background and skills.

As at 31 December 2025, the Company had 33% of senior management positions filled by women and the gender ratio of the Group's workforce (excluding senior management) was approximately 63% male to 37% female due to printing industry and supply chain business traditionally have less female participants. The Company's hiring is merit-based and nondiscriminatory. The Board, led by the nomination committee, has reviewed and is satisfied that the Company has achieved gender diversity in its workforce.

### CHAIRMAN AND CHIEF EXECUTIVES

Code Provision C.2.1 of the CG Code provides that the roles of Chairman and chief executive officer of the Company should be separate and should not be performed by the same individual. Mr. Ng performed the roles of chairman and chief executive officer of the Company until the change of chief executive officer on 22 May 2025. Despite the deviation from the code provision C.2.1, the Board would meet regularly to consider major matters affecting the operations of the Company. Therefore, it was considered that this structure would not impair the balance of power and authority between the Directors and the management of the Company and it was believed that the structure would enable the Group to make and implement decisions promptly and efficiently. In order to fully comply with all applicable code provisions of the CG Code, Mr. Ng resigned as the Chief Executive Officer, and Mr. Chu has been appointed as the Chief Executive Officer, with effect from 22 May 2025.

### EXECUTIVE DIRECTORS

The executive Directors namely Mr. Ng Ho Lun, Mr. Chu Lok Fung Barry, Mr. Chen Kun and Mr. Lam Tak Ling Derek, are responsible for evaluating new potential business opportunities and investment opportunities and formulating and implementing business strategies to enhance the revenue growth of the Company. The management is responsible for implementing the business strategies formulated by the executive directors. There is no material relationship between the Board members.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wu Ka Chee Davy is an independent non-executive Director of the Company. He has entered into a letter of appointment with the Company with no specific term of appointment but is subject to rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Mr. Yiu Ho Chi Stephen is an independent non-executive Director of the Company. He has entered into a letter of appointment with the Company with no specific term of appointment but is subject to rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Ms. Law Ying Wai Denise is an independent non-executive Director of the Company. She has entered into a letter of appointment with the Company with no specific term of appointment but is subject to rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

The Company has received, from each of the independent non-executive Directors, an annual confirmation of his or her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors to be independent.

The Company has established following mechanisms to ensure independent views and input are available to the Board and these mechanisms will be reviewed annually.

#### A. Number of Independent Non-executive Directors and their contribution

- (i) Three out of seven Directors are Independent Non-executive Directors, which exceeds the requirement of the Listing Rules that at least one-third of the Board are independent non-executive directors.
- (ii) The composition of the Board should provide a sufficient balance of skill, experience and diversity of perspectives in leading the Company to achieve its goal.
- (iii) Executive Director will meet with the Independent Non-executive Directors at least annually.
- (iv) The Chairman should at least annually hold meetings with the Independent Non-executive Directors without the presence of other Directors.
- (v) If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter should be dealt with by a physical Board meeting rather than a written resolution. Independent Non-executive Directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting.

### **B. Appointment and Independence of Non-executive Directors**

- (i) Nomination Committee will assess the independence of a candidate who is nominated to be a new Independent Non-executive Director before appointment and the continued independence of the current long-serving Independent Non-executive Director, if any, on an annual basis. All Independent Non-executive Directors are required to submit a written confirmation to the Company annually to confirm the independence of each of them and their immediate family members, and their compliance with the requirements as set out in the Rule 3.13 of the Listing Rules.
- (ii) A Director (including Independent Non-executive Director) who has material interest in any contract, transaction or arrangement shall abstain from voting and not be counted in the quorum on any Board resolution approving the same.
- (iii) No equity-based remuneration with performance-related elements will be granted to Independent Non-executive Directors.

### **C. Channels where independent views are available**

All Directors are entitled to retain independent professional advisors as and when it is required and at the Company's expense in appropriate circumstances.

### **D. Board meetings where independent views are expressed**

- (i) The Board should meet regularly and Board meetings should be held at least four times a year at approximately quarterly intervals. At least 14 days' notice of a regular Board meeting is given to all Directors to provide them with an opportunity to attend and all Directors are given an opportunity to include matters in the agenda for a regular meeting. For all other Board meetings, reasonable notice should be given.
- (ii) Board papers are usually dispatched to the directors at least three days before the meeting to ensure that Directors have sufficient time to review the papers and be adequately prepared for the meeting.
- (iii) Directors unable to attend a meeting are advised of the matters to be discussed and are given an opportunity to make their views known to the Chairman prior to the meeting.
- (iv) All Directors are encouraged to express their views in an open and candid manner during the Board/Board Committees meetings.
- (v) Independent Non-executive Directors and other non-executive Directors should make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

### DIRECTORS' APPOINTMENT AND RE-ELECTION

The appointment of a new Director is made on the recommendation of the nomination committee ("**Nomination Committee**") of the Company or by the Shareholders in general meetings. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Pursuant to article 108(a) of the Articles of Association, at each annual general meeting of the Company, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation and all such retiring Directors being eligible, will offer themselves for re-election. Details of the Directors to be retired by rotation and, where applicable, subject to re-election at the forthcoming annual general meeting of the Company will be contained in the circular to be despatched to the Shareholders in due course. None of the Directors who are being proposed for re-election at the forthcoming annual general meeting of the Company has a service contract with the Company which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory compensation.

The Group has adopted mandating annual director training on specific topics for all directors covering five key areas: duties, compliance, ESG, risk management, and strategy. First-time directors who (i) have no prior experience as a director of an issuer listed on the Main Board and GEM; or (ii) have not served as a director of an issuer listed on the Main Board or GEM within the three years prior to their appointment must complete 24 hours of training within 18 months of appointment, or 12 hours if they have prior experience on other exchanges within the three years prior to their appointment.

### COMMITTEES

As part of the corporate governance practices, the Board has established the Remuneration Committee, Nomination Committee and Audit Committee. The compositions of all the committees are set out below. The terms of reference of all committees are established in accordance with the principles set out in the CG Code.

### REMUNERATION COMMITTEE

The Company established a Remuneration committee on 4 December 2017 with written terms of reference. The Remuneration Committee currently comprises one executive Director, namely Mr. Chu Lok Fung Barry and two independent non-executive Directors, namely Dr. Wu Ka Chee Davy (Chairperson) and Mr. Yiu Ho Chi Stephen.

The primary duties of the Remuneration Committee are formulating remuneration policies, making recommendations to the Board on the remuneration packages of all Directors and senior management, and to review and approve the management's remuneration with reference to the Board's corporate goals and objective. The Company has adopted the model whereby the Remuneration Committee makes recommendations to the Board on the remuneration packages of individual executive Directors and senior management, which should include benefits in kind, pension rights and compensation payments, and any compensation payable for loss or termination of their office(s) or appointment(s), and to make recommendations to the Board on the remuneration of non-executive Directors.

The Remuneration Committee met 1 time during the year ended 31 December 2025, during which it conducted the annual review for the remuneration packages of the Directors, and made recommendation to the Board on the remuneration package of the senior management.

### **NOMINATION COMMITTEE**

The Company established a Nomination Committee on 4 December 2017 with written terms of reference. The Nomination Committee currently comprises one executive Director, namely Mr. Ng Ho Lun (Chairperson) and two independent non-executive Directors, namely Mr. Yiu Ho Chi Stephen and Ms. Law Ying Wai Denise.

The primary duties of the Nomination Committee are reviewing the structure, size and composition of the Board, formulating relevant procedures for nomination of Directors, identifying qualified individuals to become members of the Board, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors.

The Nomination Committee met 1 time during the year ended 31 December 2025. Following is a summary of works performed by the Nomination Committee during the year under review:

- reviewed the structure, size, composition and diversity of the Board, and made recommendations to the Board;
- reviewed the board diversity policy and the nomination policy;
- reviewed the independence of independent non-executive Directors; and
- made recommendations to the Board on the retirement and re-appointment of Directors by rotation at the annual general meeting of the Company.

The Nomination Committee has in place a nomination policy setting out the selection criteria and nomination procedures of Directors.

### **Selection Criteria**

In assessing the suitability of a proposed candidate, the Nomination Committee would consider the certain factors such as the proposed candidate's reputation for integrity, accomplishment and experience in the industry which the Group operates, commitment in respect of available time and relevant interest and diversity in all its aspects as set out in the Board Diversity Policy adopted by the Company from time to time. These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

### **Nomination Procedure**

Proposed candidates will be asked to submit the necessary personal information, together with their written consent to be appointed as a director and to the public disclosure of their personal data on any documents or the relevant websites for the purpose of or in relation to their standing for election as a director. The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.

## CORPORATE GOVERNANCE REPORT

The Committee Secretary of the Nomination Committee shall call a meeting of the Nomination Committee, and invite nominations of candidates from Board members if any, for consideration by the Nomination Committee prior to its meeting. The Nomination Committee may also put forward candidates who are not nominated by Board members. For filling a casual vacancy and/or as an addition to the Board, the Nomination Committee shall make recommendations for the Board's consideration and approval. For proposing candidates to stand for election at a general meeting, the Nomination Committee shall make nominations to the Board for its consideration and recommendation.

The Nomination Committee reviews each director's commitment and contribution to the Board, as well as the director's ability to discharge his or her responsibilities effectively. All Directors, in particular INEDs, demonstrated strong engagement and a sufficient time commitment to the Company's affairs throughout the year. All Directors have confirmed that they committed sufficient time and attention to the affairs of the Group throughout their tenure during the year ended 31 December 2025. Directors disclose to the Company the number and nature of offices held in listed public companies and organisations and other significant commitments, together with the respective time engagement involved, twice a year. They also inform the Company promptly whenever there are changes regarding their other offices and commitments.

After reviewing each Director's other directorships, engagements with listed public companies and organisations, and other significant commitments, the Nomination Committee concluded that all Directors have dedicated sufficient time and made significant contributions to the Board during the year.

### AUDIT COMMITTEE

The Company established an Audit Committee on 4 December 2017 with written terms of reference in compliance with the Listing Rules. The Audit Committee currently comprises all three independent non-executive Directors, namely Ms. Law Ying Wai Denise, Dr. Wu Ka Chee Davy and Mr. Yiu Ho Chi Stephen. The chairperson of the Audit Committee is Ms. LAW Ying Wai Denise, who holds the appropriate professional qualifications. None of the members of the Audit Committee are former partners of the Company's existing external auditors. The Audit Committee has adopted terms of reference which are in line with the code provisions of the CG Code.

The Audit Committee met twice during the year ended 31 December 2025. The external auditor of the Company joined the discussion at the meetings. Following is a summary of works performed by the Audit Committee during the year under review:

- reviewed the 2024 annual results and 2025 interim results of the Group and related announcement including the related disclosures, integrity of financial reporting and the accounting policies adopted by the Group prior to the submission to the Board's approval;
- reviewed the effectiveness and adequacy of the internal control and risk management systems of the Group;
- considered the independence and the appointment of the external auditor; and
- reviewed the financial reporting system, compliance procedures, internal control and risk management systems of the Group.

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of accounts for each financial period which gives a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing these accounts for FY2025, the Directors have selected suitable accounting policies and applied them consistently; made judgments and estimates that are prudent and reasonable. As at 31 December 2025, the Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern, and accordingly prepared the accounts on the going concern basis. The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group.

## EXTERNAL AUDITORS AND THEIR REMUNERATION

Baker Tilly Hong Kong Limited ("**BT**") was appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

BT has conducted audit of the financial results of the Group for FY2025. The statement of BT in respect of their reporting responsibilities on the consolidated financial statements for the Financial Year is set out in the Independent Auditor's Report included in this report.

Details of the fee paid or payable to BT for FY2025 are as follows:

	<i>HK\$'000</i>
2025 annual audit	760
Non-audit related services ( <i>Note</i> )	381
	1,141

*Note:* The non-audit related services included advisory and interim review services.

A resolution will be proposed at the forthcoming annual general meeting for the re-appointment of BT as the independent auditor of the Company.

## RISK MANAGEMENT AND INTERNAL CONTROLS

### Risk Management and Internal Control Systems

The Company does not have an internal audit department because it relies on alternative oversight methods. The Audit Committee is responsible reviewed the overall effectiveness of the risk management and internal control systems and reported its findings and made recommendations to the Board. During the year, the Company appointed BT Corporate Governance Limited ("**BTCG**"), an external firm of qualified accountants to:

1. assist in identifying and assessing the risks of the Group through a series of workshops, field audit, and interviews; and
2. independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems.
3. assess any significant changes during the reporting period in (i) the issuer's assessment of risks (including ESG risks) and (ii) the risk management and internal control systems.

## CORPORATE GOVERNANCE REPORT

The Board would continue to assess the effectiveness of internal controls by considering the reviews performed by the Audit Committee and executive management.

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. The Company's risk management and internal control systems are designed to manage and mitigate risks, rather than eliminate risks, of failure to achieve the business objectives of the Company and can only provide reasonable and not absolute assurance against material misstatement or loss. We have employed a bottom-up approach for identification, assessment and mitigation of risk at all business unit levels and across functional areas.

### **Main Features of Risk Management and Internal Control Systems**

The key elements of the Company's risk management and internal control systems include keeping track of and documentation of identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk management approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievements of its objectives.

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

During the process of risk assessment, the Board captures and identifies the key inherent risks that affect the achievements of its objectives by performing the followings:

- understanding organisational objectives and business processes;
- determining the risk appetite and establishing the risk assessment criteria;
- identifying the risks associated with achieving or not achieving the objectives and assessing the likelihood and potential impact of particular risks; and
- monitoring and evaluating the risks and the arrangements in place to address them.

The Board reviews the effectiveness of the risk management and internal control systems on a yearly basis by considering factors including but not limited to the followings:

- the changes since the last annual review in the nature and extent of significant risks, and the Group's ability to respond to changes in its business and the external environment;
- the scope and quality of managements' monitoring of risk and of the internal control system, and where applicable, the work of its internal audit function and other third party consultants;
- the extent and frequency of the communication of the results of the monitoring to the Board or the audit committee;
- the incidence of significant control failings or weakness that has been identified at any time during the period and the extent to which they have resulted in unforeseen outcomes or contingencies that have a material impact on the Group's financial performance or condition; and

- the effectiveness of the Group's processes relating to financial reporting and Listing Rules compliance given the Group's business and scale of operations and in order to adapt the most cost-effective method of conducting periodic reviews of the Group's internal controls, the Board has engaged an independent consultant, BTCG to execute the internal control function. BTCG has conducted an internal control review of the effectiveness of the Group's financial reporting procedures, systems and control for the period from 1 January 2025 to 31 December 2025 in accordance with the requirements under Code Provision D.2 of the Corporate Governance Code, according to the scope of review agreed and approved by the Audit Committee.

BTCG responded to the Audit Committee and the Audit Committee was satisfied that there had been no major deficiency noted in the areas of the Group's risk management and internal control systems being reviewed after implementation of the recommendations on the internal control defects reported by BTCG. The Audit Committee reviews annually the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures and has access to information necessary to fulfil its duties and responsibilities with respect to risk assessment and risk management. The Board has conducted a review of the risk management and internal control during the year under review. Accordingly, the Audit Committee and the Board considered the risk management and internal control systems to be effective and adequate.

In the coming year, the Audit Committee continues to monitor the implementation and follow-up action on those suggestions and recommendations made by BTCG as part of its follow-up review on the internal control and risk prevention measures.

### **Procedures and internal controls for the handling and dissemination of inside Information**

The Board has already established a policy on the procedures and internal controls for the handling and dissemination of inside information. The policy stipulated the duty and responsibility of inside information announcement, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemption and waiver to the disclosure of inside information, and also compliance and reporting procedures. Every member of the senior management of the Company must take all reasonable measures to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company from time to time. They must promptly bring any possible leakage or divulgence of inside information to the attention of the financial controller, who will notify the Board accordingly for taking the appropriate action promptly. For any material violation of this policy, the Board will decide, or designate appropriate persons to decide, the course of actions for rectifying the problem and avoiding recurrence.

### **COMPANY SECRETARIES**

Joint Company Secretary – Mr. Chu Lok Fung Barry (“**Mr. Chu**”)

Mr. Chu, aged 55, was appointed as an executive Director, joint company secretary, financial controller, authorised representative and process agent of the Company on 7 July 2023. Mr. Chu has been appointed as the Chief Executive Officer with effect from 22 May 2025 and he resigned as joint company secretary on 4 September 2025. For further details, please see the section headed “Biographies of Directors and Senior Management” in this report.

## CORPORATE GOVERNANCE REPORT

Joint Company Secretary — Mr. Chen Kun (“**Mr. Chen**”)

Mr. Chen, aged 41, was appointed as an executive Director, joint company secretary, authorised representative and process agent of the Company on 7 July 2023. For further details, please see the section headed “Biographies of Directors and Senior Management” in this report.

Joint Company Secretary — Mr. Ng Mo Chun (“**Mr. Ng**”)

Mr. Ng was appointed as one of the joint company secretaries of the Company on 4 September 2025. Mr. Ng is a fellow member of The Hong Kong Institute of Certified Public Accountants, a member of The Hong Kong Chartered Governance Institute (formerly known as Hong Kong Institute of Chartered Secretaries) with its ESG reporting certification qualification. He holds a bachelor degree in business administration and a master degree in economics from The University of Hong Kong. Mr. Ng has previously worked in a Big-4 international professional services firm, a luxury chain hotel group, a regional airline group, mainland & overseas property developers and a property management services company, accumulating over 18 years of experience in the area of company secretary, initial public offerings, mergers and acquisitions, financing and regulatory compliance matters of listed companies. Prior to joining the Company, he held the financial controlling and company secretarial positions for China New City Group Limited (formerly known as China New City Commercial Development Limited) (stock code: 01321) from January to November 2019 and was the company secretary for New Silkroad Holding Group Limited (formerly known as New Silkroad Culturaltainment Limited) (stock code: 00472) from September 2020 to April 2025.

Each of Mr. Chu, Mr. Chen and Mr. Ng has complied with the relevant professional requirement under Rule 3.29 of the Listing Rules during FY2025.

## CORPORATE GOVERNANCE FUNCTIONS

The Board as a whole is responsible for performing the corporate governance duties including:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the code and disclosure requirement.

### **CONVENING AN EXTRAORDINARY GENERAL MEETING BY SHAREHOLDERS**

Pursuant to article 64 of the Articles of Association, any one or more Shareholders holding, at the date of deposit of the requisition, a minority stake in the total number of issued share which is not less than 10% of the voting rights (on a one vote per share basis) in the issued share capital of the Company shall at all times have the right, by requisition in writing to the Board or the Company Secretary, to require an extraordinary general meetings to be called by the Board for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself/ herself/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.

### **THE PROCEDURES BY WHICH ENQUIRES MAY BE PUT TO THE BOARD AND SUFFICIENT CONTACT DETAILS TO ENABLE THESE ENQUIRIES TO BE PROPERLY TREATED**

Shareholders may send their enquiries and concerns to the principal place of business of the Company in Hong Kong at Suite 5705–10, 57/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong, by post or by fax to (852) 3996 8634, for the attention of the Company Secretary and the Company Secretary will direct all enquiries and concerns to the Board.

### **PROCEDURES FOR SHAREHOLDERS TO PUT FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS**

There are no provisions allowing Shareholders to move new resolutions at the general meetings under the Company Law (Revised) of Cayman Islands. However, Shareholders are entitled to convene general meeting with specified resolutions in a manner as set out under section headed "Convening Extraordinary General Meeting by Shareholders" above. Shareholders are welcome to suggest proposals relating to the operations, strategy and/or management of the group to be discussed at shareholders' meeting. Proposal shall be sent to the Board by written requisition.

### **INVESTOR RELATIONS**

The Company establishes different communication channels with investors to update them with the latest business development and financial performance including the publication of interim and annual reports, the publish and posting of notices, announcements and circulars on the Stock Exchange website and the Company's website in order to maintain a high level of transparency.

Upon reviewing the implementation and effectiveness of the Shareholders' communication policy of the Company, the Board considers the policy and its implementation are effective as the policy provides effective channels for the Shareholders to communicate their views with the Company and the Company complied with the principles and required practices as set out in the policy during FY2025.

### COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

Shareholders are one of our key stakeholders. The Board and senior management recognise their responsibilities to represent the interests and create long-term sustainable value for the shareholders.

The Company communicates to its shareholders through announcements and annual and interim reports published in its website <http://www.smartglobehk.com>. Shareholders may put enquiries to the Board in writing sent to the principal office of the Company at Suite 5705–10, 57/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong. The Directors, the Company Secretary or other appropriate members of senior management respond to enquiries from shareholders promptly. All shareholders are also encouraged to attend general meetings of the Company to discuss matters relating to the Group. At general meetings of the Company, the Directors answer questions from the shareholders.

Investor relations has always formed an important part of the Company's corporate governance. It provides two-way communication between management and the investment community and continually updates investors on the Company's latest business developments in a timely manner. The designated team also regularly provides management with market feedback and opinions from the investment community to improve the governance and operations of the Company.

Pursuant to new Rule 2.07A(1) of the Listing Rules, the Company will disseminate the future corporate communications of the Company (the "**Corporate Communications**") to its Shareholders electronically and only send Corporate Communications in printed form to the Shareholders upon request with effect from 31 December 2023. For those Shareholders who wish to receive a printed version of all future Corporate Communications and Actionable Corporate Communications) of, if for any reason, have difficulty in gaining access to the Company's branch share registrar, in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to [1481-ecom@hk.tricorglobal.com](mailto:1481-ecom@hk.tricorglobal.com), send future Corporate Communications and/or the relevant Corporate Communications (as the case may be) to such Shareholders in printed form free of charge.

For further details, please refer to the circulars of the Company dated 2 February 2024.

### SIGNIFICANT CHANGES IN CONSTITUTIONAL DOCUMENTS

There had been no changes in the constitutional documents of the Company during FY2025.

# DIRECTORS' REPORT

The directors have pleasure in presenting to the shareholders of the Company (the “Shareholders”) their annual report and the audited consolidated financial statements of the Group for FY2025.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in (i) supply chain management service business; and (ii) printing business. Details of the principal activities of the subsidiaries are set out in note 31 to the consolidated financial statements. There were no significant changes to the Group’s principal activities during the current year.

## BUSINESS REVIEW

A review of the Company’s business, a discussion and analysis of the Group’s performance during the year under review, the material factors underlying its results and financial position, and the future development of the Company’s business have been set out in the Chairman’s Statement and the Management Discussion and Analysis of this annual report. These discussions form part of this “Directors’ Report”.

Principal risks and uncertainties related to our operation typically include data security threats, talent acquisition/retention, regulatory compliance, supply chain disruptions, and economic volatility. These risks can impact financial performance, reputation, and business continuity.

The financial risk management objectives and policies of the Group are shown in note 27 to the consolidated financial statements.

An analysis of the Group’s performance during FY2025 using key financial performance indicators is set out in the Five-Year Financial Summary on page 172 of this annual report.

### (A) Environmental policies and performance

The Board is aware that addressing environmental concerns is an important issue for contributing to the continuous development of society (along with the business activities of the Company).

An environmental policy and manual of procedures have been effective upon Listing which demonstrates the Group’s commitment to environmental protection. All staff, subcontractors and suppliers are required to diligently implement the policy and the manual, which will be reviewed regularly in light of the Group’s experience, feedback from staff, business development, current legislations and regulations.

### (B) Compliance with laws and regulations

To the best knowledge and belief of the Directors, the Group’s operation in Hong Kong has complied with the applicable laws and regulations in all material respects during FY2025, and up to the date of this report.

### (C) Key relationships with employees, customers and suppliers

The Directors are of the view that the Company has maintained good relationship with its employees, customers, suppliers and bankers.

## DIRECTORS' REPORT

### RESULTS AND APPROPRIATIONS

The results of the Group for FY2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 100.

Having considered the Group's financial performance for the year, its cash flow position and its funding needs for ongoing operations and future business development, the Board believes it is prudent to retain cash resources. Accordingly, the Directors do not recommend the payment of dividend for FY2025.

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Friday, 29 May 2026 (the "AGM"), the register of members of the Company will be closed from Tuesday, 26 May 2026 to Friday, 29 May 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending and voting at the AGM, all transfer of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m., on Friday, 22 May 2026.

### ANNUAL GENERAL MEETING

The AGM will be held on 29 May 2026. A notice convening the meeting will be issued and sent to the Shareholders in due course.

### RESERVES

Movements in the reserves of the Group and of the Company during FY2025 are set out in the consolidated statement of changes in equity on page 103 and note 30 to the consolidated financial statements respectively.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year under review are set out in note 14 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 23 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

Distributable reserves of the Company as at 31 December 2025 amounted to approximately HK\$17,900,000, representing the share premium account of the Company less the accumulated losses as at 31 December 2025. Under the Companies Act of the Cayman Islands (as amended), the share premium account of the Company 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 they fall due in the ordinary course of business.

## DIVIDEND POLICY

The Company strives for generating steady returns to the Shareholders. It is the policy of the Company, in considering the payment of dividends, to allow the Shareholders to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth. The dividend payout ratio shall be determined by the Board at its absolute discretion after taking into account of, among others, the following factors: (i) the Group's financial performance; (ii) retained earnings and distributable reserves of the Company and each of the subsidiaries of the Group; (iii) the Group's working capital requirements, capital expenditure requirements and future expansion plans; and (iv) the Group's liquidity position; and other factors that the Board deems relevant. There is no assurance that dividends will be paid in any particular amount for any given period.

## SHARE OPTION SCHEME

The Company has a share option scheme (the "**Scheme**") which was adopted pursuant to a resolution of the Shareholders passed on 4 December 2017. The purpose of the Scheme is to attract, retain and motivate talented eligible participants (as defined below), to strive for future developments and expansion of the Group. The Scheme shall be an incentive to encourage the participants to perform their best in achieving the goals of the Group and allow the participants to enjoy the results of the Group attained through their efforts and contributions.

The Scheme was adopted on 4 December 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from the listing date of the Company i.e. 11 December 2027.

Under the Scheme, the Directors may at their absolute discretion and subject to the terms of the Scheme, grant options to any eligible participants. Eligible participants refer to (i) any executive director or manager of or other employee holding an executive, managerial, supervisory or similar position in any member of the Group (an "**Employee**"), any proposed Employee, any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (an "**Executive**"); (ii) any director or proposed director (including an independent non-executive director) of any member of the Group; (iii) a consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group; (iv) a person or entity that provides research, development or other technological support or any advisory, consultancy, professional or other services to any member of the Group; or a close associate (as defined under the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) of any of the foregoing persons.

Pursuant to Rule 17.07A of the Listing Rules, the maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange (i.e. 100,000,000 Shares, which represents approximately 9.80% of total issued shares of Company as at 31 December 2025 and as at the date of the Annual Report published on 24 April 2026). The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of Company's shares which may be issued upon exercise of all options to be granted under the Scheme and any other share options schemes of the Company must not exceed 10% of the Company's shares in issue as at the date of approval of the refreshed limit. The aggregate number of the Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes of the Company must not exceed 30% of the Company's shares in issue from time to time. No options may be granted under the Scheme or any other share options schemes of the Company if this will result in the limit being exceeded.

## DIRECTORS' REPORT

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) under the Scheme in any 12-month period up to and including the date of grant must not exceed 1% of the issued share capital of the Company for the time being. Where any further grant of options to a participant under the Scheme would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such participant (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the shares in issue, such further grant must be separately approved by shareholders of the Company in general meeting with such participant and his associates abstaining from voting.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option with a remittance in favour of the Company within such time as may be specified in the offer of grant of the option. If an option was granted, it may be exercised at any time during the option period without any vesting terms and conditions for the grantee.

The exercise price shall be a price solely determined by the Directors of the Company and notified to a participant and shall be at least the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option; (ii) the average closing prices of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of the Company's share on the date of grant of the option.

No share options under the share option scheme were granted, exercised or cancelled during the year under review nor remained outstanding as at 1 January 2025 and 31 December 2025. As at 1 January 2025 and 31 December 2025, the number of Shares available for grant under the Scheme remained at 100,000,000 Shares.

## SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2025 are set out in note 31 to the consolidated financial statements.

## DIRECTORS

The directors who have held office during the year under review and up to the date of this report are as follows:

### Executive Directors

Mr. Ng Ho Lun (*Chairman*)

Mr. Chu Lok Fung Barry (*Chief Executive Officer with effect from 22 May 2025*)

Mr. Chen Kun

Mr. Lam Tak Ling Derek

### Independent non-executive Directors

Dr. Wu Ka Chee Davy

Mr. Yiu Ho Chi Stephen

Ms. Law Ying Wai Denise

## UPDATE ON INFORMATION OF DIRECTORS AND CHIEF EXECUTIVES

As disclosed in the announcement of the Company dated 22 May 2025, Mr. Ng Ho Lun ceased to be chief executive officer and remained as an executive Director and chairman, while Mr. Chu Lok Fung Barry (an executive Director) was appointed as chief executive officer. Mr. Chu ceased to be joint company secretary of the Company with effect from 4 September 2025.

During FY2025, save as disclosed above, there are no updates on information of directors and chief executives which are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

## DIRECTORS' SERVICE CONTRACTS

The Company has entered into a service contract with each of our executive Directors, and a letter of appointment with each of our independent non-executive Directors. Each service contract of the executive Directors is for an initial fixed term of three years commencing from 7 July 2023, and shall thereafter continue on a month to month basis unless terminated by either party by giving the other party a three month's prior written notice. Pursuant to the letters of appointment of our independent non-executive Directors, each of them is not appointed for a specific term but is subject to retirement by rotation and re-election in accordance with the Articles of Association and the CG Code. Each of the independent non-executive director's appointment can also be terminated by either party giving the other party at least one month's notice in writing.

Save as disclosed in note 10 to the financial statements, there were no other emoluments, pensions or any compensation arrangements for the Directors and past Directors which are required to be disclosed under the Listing Rules, or section 383 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) or the Companies (Disclosure of Information about Benefits of Directors) Regulation (Chapter 622G, Laws of Hong Kong). Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than statutory obligations.

## DIRECTORS' REPORT

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

As at 31 December 2025, the interests of the Directors, chief executives and their associates in the shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Listing Rules, were as follows:

#### Long positions

##### Ordinary shares of HK\$0.01 each (the "Shares") of the Company

Name of Director	Capacity	Number of Shares held	Percentage of the issued Shares of the Company as at 31 December 2025
NG Ho Lun ("Mr. Ng")	Held by controlled corporation ( <i>note 1</i> )	750,000,000	73.53%

*Note:*

- (1) The Company is directly owned as to 73.53% by TeraMetal, a company wholly-owned by Mr. Ng. By virtue of the SFO, Mr. Ng is deemed to be interested in the Shares held by TeraMetal.

Save as disclosed above, as at 31 December 2025, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2025, the following shareholders and persons (not being a Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of shareholders	Capacity	Number of Shares held	Percentage of the issued share capital of the Company as at 31 December 2025
TeraMetal	Beneficial owner	750,000,000	73.53%
Liu Chujia ("Mrs. Ng")	Interest of spouse ( <i>note 1</i> )	750,000,000	73.53%

*Note:*

- (1) Mrs. Ng, being the spouse of Mr. Ng, is deemed to be interested in 750,000,000 Shares of the Company in which Mr. Ng is interested through TeraMetal under the SFO.

Save as disclosed above, as at 31 December 2025, the Directors are not aware of any other persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company and recorded in the register required to be kept by the Company under section 336 of the SFO.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year under review was the Company, or any of its holding companies or subsidiary, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## EMOLUMENTS OF THE DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

Please refer to note 10 to the consolidated financial statements on for details of the emoluments of the Directors and the five highest paid individuals of the Company.

## MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company, which were not a contract of service with any Director or any person engaged in the full-time employment of the Company, were entered into or existed during FY2025.

## CHARITABLE DONATION

The Group made approximately HK\$224,000 charitable donation during FY2025 (FY2024: Nil).

## DIRECTORS' REPORT

### MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 65.4% of the total sales for the year under review and sales to the largest customer included therein amounted to 25.8%. Purchases from the Group's five largest suppliers accounted for 58.9% of the total purchases for the year and purchases from the largest supplier included therein amounted to 38.7%.

None of the Directors, their close associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in any of the Group's five largest suppliers or customers.

### TAX RELIEF

The Group is not aware of any relief on taxation available to Shareholders by reason of their holding of shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

### CONNECTED TRANSACTIONS

The Group had not entered into any connected transaction during FY2025. Related party transactions entered into by the Group during the year under review are disclosed in note 29 to the consolidated financial statements.

### CONTROLLING SHAREHOLDER'S INTERESTS IN SIGNIFICANT CONTRACTS

As far as the Directors are aware, at no time during FY2025 had the Company or any of its subsidiaries and the controlling shareholders (the "**Controlling Shareholders**") or any of its subsidiaries entered into any contract of significance or any contracts of significance for the provision of services by the Controlling Shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

### EQUITY-LINKED AGREEMENTS

Save for the Scheme as set out above, no equity-linked agreements were entered into by the Group during FY2025 or subsisting at the end of FY2025.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 10 to the consolidated financial statements, no transaction, arrangements or contracts of significance to which the Company, or any of its holding companies or subsidiary, was a party and in which a Director or an entity connected with a Director (as defined under section 486 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) had a material interest, either directly or indirectly, subsisted at the end of the year under review or at any time during the year under review.

### PRE-EMPTIVE RIGHTS

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

### **SUFFICIENCY OF PUBLIC FLOAT**

To the best knowledge of the Directors and based on the information that is publicly available to the Company, at least 25% of the Company's issued share capital were held by the public as at the date of this Report.

### **FINANCIAL SUMMARY**

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 172 of the annual report.

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

None of the Directors and the controlling shareholders of the Company (as defined in the Listing Rules) or their respective associates (as defined in the Listing Rules) is or was interested in any business apart from the Group's business, that competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during FY2025.

### **EMOLUMENTS POLICY**

The emolument policy for the employee of the Group is set up by the management on the basis of their merit, qualifications and competence. Under the emolument policy, the basis of determining the emolument payable to Directors is subject to the decision of the Remuneration Committee of the Company.

The emoluments of the Directors for FY2025 are decided by the Board, having regard to the Group's operating results, their duties and responsibilities of the Group, individual performance and comparable market statistics, and have been reviewed by the Remuneration Committee of the Company during FY2025.

## DIRECTORS' REPORT

### PERMITTED INDEMNITY PROVISIONS

According to article 191 of the Articles of Association, 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 shall or may incur or sustain by reason of any act done or omitted in or about the execution of their duty or supposed duty in their respective offices, except such (if any) as they shall incur or sustain through their own fraud or dishonesty.

Save as disclosed, at no time during FY2025 and up to the date of this report, there was or is, any permitted indemnity provisions being in force for the benefit of any of the directors of the Company (whether made by the Company or otherwise) or an associated company (if made by the Company).

### MATERIAL LEGAL PROCEEDINGS

As at 31 December 2025, the Company was not involved in any material litigation or arbitration and no material litigation or arbitration were pending or threatened or made against the Company so far as the Company is aware.

### CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

With effect from 4 September 2025, the address of the principal place of business of the Company in Hong Kong will be changed to Suite 5705–10, 57/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.

### AUDITORS

The consolidated financial statements of the Company for FY2025 have been audited by Baker Tilly Hong Kong Limited. A resolution will be submitted to the AGM to re-appoint Baker Tilly Hong Kong Limited as auditor of the Company.

### APPRECIATION

On behalf of the Board, I would like to extend my sincere gratitude to our business partners, shareholders, staff and management for their continuous dedication, commitment and support.

On behalf of the Board

**NG HO LUN**

*CHAIRMAN*

26 March 2026



## Independent auditor's report to the shareholders of Smart Globe Holdings Limited

竣球控股有限公司

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

### OPINION

We have audited the consolidated financial statements of Smart Globe Holdings Limited (the "**Company**") and its subsidiaries (together the "**Group**") set out on pages 100 to 171, which comprise the consolidated statement of financial position as at 31 December 2025, and 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 and other explanatory information.

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

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") as issued by the HKICPA. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "**Code**"), as applicable to audits of 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

## Independent auditor's report to the shareholders of Smart Globe Holdings Limited (continued)

竣球控股有限公司

(Incorporated in the Cayman Islands with limited liability)

### KEY AUDIT MATTERS

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

#### The Key Audit Matter

#### How the matter was addressed in our audit

##### Expected credit loss (ECL) assessment of trade receivables

We identified the ECL assessment of trade receivables as a key audit matter due to the involvement of subjective judgement and estimation in management's ECL assessment process.

The Group assessed its trade receivables individually, for significant balances and credit-impaired balances, and collectively based on the ageing grouping for remaining balances. Significant and credit-impaired trade receivables balances are assessed individually by considering the ageing, repayment history and past due status of respective trade receivables. Estimated loss rates are based on historical default rates over the expected life of the debtors and reasonable and supportable forward-looking information that is available without undue costs or effort. For trade receivables assessed collectively, the grouping is based on the ageing categories, taking into consideration the Group's historical default rates and reasonable and supportable forward-looking information that is available without undue cost or effort. At each reporting date, historical default rates are reassessed and changes in forward-looking information are considered.

As disclosed in notes 4 and 18 to the consolidated financial statements, as at 31 December 2025, the carrying amount of trade receivables is HK\$40,529,000, net of allowance for ECL of HK\$1,529,000.

Our procedures in relation to ECL assessment of trade receivables included:

- Obtaining an understanding on the key controls over ECL assessment and evaluating management's process in determining the estimated loss rates, ageing grouping of trade receivables, and significant balances and credit-impaired balances which are assessed individually;
- Assessing the reasonableness of the estimated loss rates with reference to historical default rates over the expected life of the debtors based on the ageing grouping of trade receivable and the forward-looking information considered by the management of the Group; and
- Testing, on a sample basis, the accuracy and completeness of the ageing grouping of trade receivables to source documents including evidence of shipping documents, delivery notes and sales invoices.

**Independent auditor's report to the shareholders of  
Smart Globe Holdings Limited** (continued)

**竣球控股有限公司**

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

### **OTHER INFORMATION**

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

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

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

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

The directors of the Company are responsible for the preparation of 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

### Independent auditor's report to the shareholders of Smart Globe Holdings Limited (continued)

竣球控股有限公司

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

### 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, 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 skepticism throughout the audit. We also:

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

**Independent auditor's report to the shareholders of  
Smart Globe Holdings Limited** (continued)

**竣球控股有限公司**

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

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

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

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

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

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

The engagement director on the audit resulting in this independent auditor's report is Li Man Chun Jesse.

**Baker Tilly Hong Kong Limited**

*Certified Public Accountants*

Hong Kong, 26 March 2026

**Li Man Chun Jesse**

Practising certificate number P08302

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Revenue</b>	5	<b>204,949</b>	117,587
Cost of sales		<u>(162,555)</u>	<u>(103,841)</u>
<b>Gross profit</b>		<b>42,394</b>	13,746
Other income	6	<b>5,607</b>	2,582
Other gains and losses	7	<b>1,027</b>	1,293
Reversal of allowance/(allowance) for expected credit losses on trade receivables, net	27	<b>234</b>	(118)
Selling and distribution costs		<b>(4,761)</b>	(5,961)
Administrative expenses		<b>(23,358)</b>	(23,194)
Finance costs	8	<b>(1,276)</b>	(348)
<b>Profit/(loss) before taxation</b>		<b>19,867</b>	(12,000)
Taxation	11	<b>(6,824)</b>	—
<b>Profit/(loss) for the year</b>	9	<b>13,043</b>	(12,000)
<b>Other comprehensive income/(expense)</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
— Exchange differences arising on translation of foreign operations		<b>1,817</b>	(1,444)
<b>Total comprehensive income/(expense) for the year</b>		<b>14,860</b>	(13,444)
Profit/(loss) for the year attributable to:			
Owners of the Company		<b>7,890</b>	(12,000)
Non-controlling interests		<b>5,153</b>	—
		<b>13,043</b>	(12,000)
Total comprehensive income/(expense) attributable to:			
Owners of the Company		<b>9,700</b>	(13,444)
Non-controlling interests		<b>5,160</b>	—
		<b>14,860</b>	(13,444)
		<b>HK cents</b>	<b>HK cents</b>
Earnings/(loss) per share			
— Basic and diluted	13	<b>0.77</b>	(1.18)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	14	46,954	25,575
Right-of-use assets	15	23,850	7,852
Investment properties	16	5,866	—
Deposits	18	4,405	2,041
		<b>81,075</b>	35,468
<b>Current assets</b>			
Inventories	17	13,822	17,504
Trade and other receivables	18	56,149	34,237
Cash and cash equivalents	19	87,943	55,284
		<b>157,914</b>	107,025
<b>Current liabilities</b>			
Trade and other payables	20	59,329	20,410
Contract liabilities	20	15,122	926
Lease liabilities	21	2,355	3,584
Tax payables		6,793	—
		<b>83,599</b>	24,920
<b>Net current assets</b>		<b>74,315</b>	82,105
<b>Total assets less current liabilities</b>		<b>155,390</b>	117,573
<b>Non-current liabilities</b>			
Lease liabilities	21	578	4,414
Convertible bonds	22	18,035	—
Other payables	20	316	—
		<b>18,929</b>	4,414
<b>NET ASSETS</b>		<b>136,461</b>	113,159

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Capital and reserves</b>			
Share capital	23	10,200	10,200
Reserves		115,676	102,959
Equity attributable to owners of the Company		125,876	113,159
Non-controlling interests		10,585	—
<b>TOTAL EQUITY</b>		<b>136,461</b>	113,159

The consolidated financial statements on pages 100 to 171 were approved and authorised for issue by the Board of Directors on 26 March 2026 and are signed on its behalf by:

**Ng Ho Lun**  
Director

**Chu Lok Fung Barry**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company							Subtotal HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Convertible bonds equity reserve HK\$'000 (note 22)	PRC statutory reserve HK\$'000 (note (a))	Special reserve HK\$'000 (note (b))	Translation reserve HK\$'000	Retained profits HK\$'000			
<b>At 1 January 2024</b>	10,200	55,130	—	379	12,290	(5,520)	54,124	126,603	—	126,603
Loss for the year	—	—	—	—	—	—	(12,000)	(12,000)	—	(12,000)
Other comprehensive expense for the year:										
– Exchange differences arising on translation of foreign operations	—	—	—	—	—	(1,444)	—	(1,444)	—	(1,444)
Total comprehensive expense for the year	—	—	—	—	—	(1,444)	(12,000)	(13,444)	—	(13,444)
<b>At 31 December 2024 and 1 January 2025</b>	10,200	55,130	—	379	12,290	(6,964)	42,124	113,159	—	113,159
Profit for the year	—	—	—	—	—	—	7,890	7,890	5,153	13,043
Other comprehensive income for the year:										
– Exchange differences arising on translation of foreign operations	—	—	—	—	—	1,810	—	1,810	7	1,817
Total comprehensive income for the year	—	—	—	—	—	1,810	7,890	9,700	5,160	14,860
Transaction with owners in their capacity as owners										
– Recognition of convertible bonds	—	—	3,017	—	—	—	—	3,017	—	3,017
– Deemed disposal of a subsidiary without losing control (note 15)	—	—	—	—	—	—	—	—	5,425	5,425
<b>At 31 December 2025</b>	10,200	55,130	3,017	379	12,290	(5,154)	50,014	125,876	10,585	136,461

## Notes:

- (a) The People's Republic of China ("PRC") statutory reserve is non-distributable and transfer to this reserve is determined according to the relevant laws in the PRC and by the board of directors of the PRC subsidiary in accordance with the Articles of Association of the subsidiary.
- (b) The special reserve of the Group represented the difference between the nominal value of the share capital of the Company and the nominal value of the share capital of CP Printing Limited ("CP Printing"), a wholly-owned subsidiary of the Company, pursuant to a group reorganisation in preparation for listing of the Company's shares.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 HK\$'000	2024 HK\$'000
<b>Operating activities</b>			
Profit/(loss) before taxation		19,867	(12,000)
Adjustments for:			
— Interest expenses	8	1,276	348
— Interest income	6	(650)	(1,493)
— Depreciation of property, plant and equipment	9	6,430	5,132
— Depreciation of right-of-use assets	9	3,947	3,078
— (Reversal of)/allowance for expected credit losses on trade receivables, net	27	(234)	118
— Changes in fair value of investment properties	7	(293)	—
— (Gain)/loss on disposal of property, plant and equipment, net	7	(7)	7
— Gain on lease modification	7	(98)	—
<b>Operating cash flows before movements in working capital</b>		<b>30,238</b>	<b>(4,810)</b>
Inventories		4,360	943
Trade and other receivable		(20,191)	(5,361)
Trade and other payables		17,684	4,304
Contract liabilities		14,214	428
<b>Cash generated from/(used in) operations</b>		<b>46,305</b>	<b>(4,496)</b>
Income tax refunded		—	590
<b>Net cash generated from/(used in) operating activities</b>		<b>46,305</b>	<b>(3,906)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(4,834)	(2,596)
Deposit paid for property, plant and equipment		(3,720)	(2,041)
Deposit paid for intangible assets		(685)	—
Payments for right-of-use assets	15	(27,125)	—
Interest received		650	1,493
Proceeds from disposal of property, plant and equipment		26	46
<b>Net cash used in investing activities</b>		<b>(35,688)</b>	<b>(3,098)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	<i>Note</i>	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
<b>Financing activities</b>			
Repayment of lease liabilities		<b>(3,238)</b>	(2,934)
Interest paid		<b>(324)</b>	(348)
Proceeds from issuance of convertible bonds		<b>20,100</b>	—
Proceeds from deemed disposal of a subsidiary without losing control		<b>5,425</b>	—
<b>Net cash generated from/(used in) financing activities</b>		<b>21,963</b>	(3,282)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>32,580</b>	(10,286)
<b>Cash and cash equivalents at beginning of the year</b>		<b>55,284</b>	65,647
<b>Effect of foreign exchange rate changes</b>		<b>79</b>	(77)
<b>Cash and cash equivalents at the end of the year, representing bank balances and cash</b>	19	<b>87,943</b>	55,284

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1 GENERAL INFORMATION

Smart Globe Holdings Limited (the “**Company**”) is a limited liability company incorporated in the Cayman Islands and the ordinary shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in 2017. On 11 December 2020, the ordinary shares of the Company transferred and listed on the Main Board of the Stock Exchange. The immediate holding company and ultimate holding company is TeraMetal Holdings Limited (“**TeraMetal**”), a company incorporated in the British Virgin Islands (the “**BVI**”), which is ultimately controlled by Mr. NG Ho Lun (“**Mr. NG**”).

The address of the Company’s registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands and the Company’s principal place of business is Suit 5705-10, 57/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong.

The Company is an investment holding company and its subsidiaries (collectively referred to as the “**Group**”) is principally engaged in (i) supply chain management services business; and (ii) printing business. The principal activities of the subsidiaries are disclosed in Note 31 to the financial statements.

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

## 2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

### (a) Amendments to an HKFRS Accounting Standard that are mandatorily effective for the current year

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

Amendments to HKAS 21

Lack of Exchangeability

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

### (b) 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 <sup>2</sup>
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 <sup>2</sup>
HKFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
Amendments to HKAS 21	Translation to Hyperinflationary Presentation Currency <sup>3</sup>

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

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

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

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

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

The amendments to 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. An entity that elects to apply the derecognition option would be recognised to apply it to all settlements made through the same electronic payment system.

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 2 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS (continued)

### (b) 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*** (continued)

The disclosure requirements in 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”. 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 Error” and HKFRS 7 “Financial Instruments: Disclosures”. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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

### 3.1 Basic of preparation of consolidated financial statements

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties that are measured at fair values as at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of HKFRS 2 “Share-based Payment”, leasing transactions that are accounted for in accordance with HKFRS 16 “Leases” and measurement that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of Assets”.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information

#### *Basis of consolidation*

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

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (iii) 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 and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### ***Changes in the Group's interests in existing subsidiaries***

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

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

#### ***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 (other than construction in progress as described below).

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Construction in progress represents property, plant and equipment in the course of construction for production, supply or administrative purposes, which are carried at cost less any recognised impairment losses. Cost includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Construction in progress are classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress 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 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *Investment properties*

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

Investment properties also include leased properties which are being recognised as right-of-use assets and subleased by the Group under operating leases.

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

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

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

#### *Leases*

The Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 “Leases” 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.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Leases** (continued)

##### *The Group as a lessee* (continued)

#### Right-of-use assets

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability; and
- any initial direct costs incurred by the Group.

Except for those that are classified as investment properties and measured under fair value model, 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.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. Right-of-use assets that meets the definition of investment property are presented within “investment properties”.

#### Refundable rental deposits

Refundable rental deposits paid are accounted under HKFRS 9 “Financial Instruments” 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.

If a right-of-use assets becomes investment properties because its use has changed by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent retirement of the right-of-use assets, the relevant revaluation reserve will be transferred to retained profits.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Leases** (continued)

##### *The Group as a lessee* (continued)

#### Lease liabilities

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

The lease payments represent fixed payments.

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

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

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

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Leases** (continued)

##### *The Group as a lessee* (continued)

##### Lease 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 one or more additional 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. The associated non-lease components are included in the respective lease components.

##### *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 except for investment properties measured under fair value model.

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

When a contract includes both leases and non-lease components, the Group applies HKFRS 15 “Revenue from contract with customers” 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Leases** (continued)

##### *The Group as a lessor* (continued)

##### 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.

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.

#### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using 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. Cost necessary to make the sale include incremental costs directly attributable to the sale and non-incremental costs which the Group must incur to make the sale.

#### **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 was initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *Financial instruments* (continued)

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 on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

#### *Financial assets*

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

All recognised financial assets are measured subsequently in their entirety at amortised cost.

#### 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.

#### Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. 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. 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *Financial instruments* (continued)

#### *Financial assets* (continued)

#### Impairment of financial assets

The Group performs impairment assessment under expected credit loss (“**ECL**”) model on financial assets (including trade and other receivables and bank balances) 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 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 and 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 without significant financing component.

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

#### (i) 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.

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;

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments** (continued)

#### *Financial assets* (continued)

#### Impairment of financial assets (continued)

##### (i) Significant increase in credit risk (continued)

- 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; or
- 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.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

##### (ii) Definition of default

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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments** (continued)

#### *Financial assets* (continued)

#### Impairment of financial assets (continued)

#### (iii) 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. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

#### (iv) 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.

#### (v) 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 respective risk of default occurring as the weights.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Financial instruments** (continued)

##### *Financial assets* (continued)

##### Impairment of financial assets (continued)

##### (v) Measurement and recognition of ECL (continued)

Lifetime ECL for certain trade receivables are considered on a collective basis taking into consideration past due information and relevant credit information such as forward looking macroeconomic information.

For collective assessment, the Group takes into consideration the following characteristics when formulating the grouping:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

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 gains and losses' line item (note 7) as part of the net exchange gains.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *Financial instruments* (continued)

##### *Financial assets* (continued)

##### Derecognition of financial assets

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

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

##### *Financial liabilities and equity instruments*

##### Classification as debt or equity

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

##### Equity instruments

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

##### Financial liabilities at amortised cost

Financial liabilities including trade and other payables, liability component of the convertible bonds and lease liabilities are subsequently measured at amortised cost, using the effective interest method.

##### 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 gains and losses' line item in profit or loss (note 7) as part of net exchange gains 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Convertible bonds**

The component parts of the convertible bonds are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component (including any embedded non-equity derivatives features) is estimated by measuring the fair value of similar liability that does not have an associated equity component.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible bonds, the balance recognised in equity will be transferred to retained profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

#### **Cash and cash equivalents**

Cash and cash equivalents presented on the consolidated statement of financial position include:

- (a) cash, which comprises of cash on hand and demand deposits, excluding bank balances that are subject to regulatory restrictions that result in such balances no longer meeting the definition of cash; and
- (b) cash equivalents, which comprises of short-term (generally with original maturity of three months or less), 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. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Cash and cash equivalents** (continued)

For the purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

#### **Impairment losses on property, plant and equipment and right-of-use assets**

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

The recoverable amount of property, plant and equipment and right-of-use assets, is estimated individually. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In testing a cash-generating unit for impairment, corporate assets are allocated to the relevant cash-generating unit 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.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *Impairment losses on property, plant and equipment and right-of-use assets* (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset 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. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro-rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *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 foreign operation are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

#### *Revenue from contracts with customers*

The Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Revenue from contracts with customers** (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

#### **Government grants**

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

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government grants relating to compensation of expenses are deducted from the related expenses, other government grants are presented under "Other income".

#### **Short-term employee benefits**

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### **Retirement benefit costs**

Payments to government-managed retirement benefit schemes, National Pension Scheme Authority Schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

#### **Equity-settled share-based payment transactions**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

For share awards that vest immediately at the date of grant, the difference between the fair value of the shares to which the counterparty has received and the price the counterparty is required to pay for those shares is expensed immediately to profit or loss.

#### **Borrowing costs**

All borrowing costs which are not eligible for capitalisation to qualifying assets are recognised in profit or loss in the period in which they are incurred.

#### **Taxation**

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation 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 base 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 difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences. In addition, deferred tax liabilities are not recognised if the temporary difference arises from initial recognition of goodwill.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

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

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. 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 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.

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

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### 3.2 Material accounting policy information (continued)

#### *Taxation* (continued)

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

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.

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, 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 estimates are 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.

### **Critical judgements in applying accounting policies**

The following are the critical judgements, apart from those involving estimations, that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

### Revenue recognition from sales of products with no alternative use at a point in time

Revenue recognised over time when the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Significant judgement is required in determining whether the terms of the Group's contracts with customers in relation to products with no alternative use create an enforceable right to payment for the Group. The Group has considered the contractual terms and the relevant legal and regulatory environment that apply to those relevant contracts. Based on the assessment of the Group's management, the contracts do not create an enforceable right to payment for the Group after taking into consideration indicators such as whether the right to payment for the Group for the performance completed to date include a reasonable profit margin. Accordingly, the sales of products with no alternative use is considered to be performance obligation satisfied at a point in time.

During the year ended 31 December 2025, the Group recognised revenue from sales of printing products with no alternative use at a point in time amounted to HK\$93,917,000 (2024: HK\$108,067,000).

### Key sources of estimation uncertainty

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

### ECL assessment of trade receivables

The ECL on trade receivables are assessed individually, for significant balances and credit-impaired balances, and collectively based on the ageing grouping for remaining balances. Significant and credit-impaired trade receivables balances are assessed individually by considering the ageing, repayment history and past due status of respective trade receivables. Estimated loss rates are based on historical default rates over the expected life of the debtors and reasonable and supportable forward-looking information that is available without undue costs or effort. For trade receivables assessed collectively, the grouping is based on the debtor's credit risk characteristic, taking into consideration the Group's historical default rates and reasonable and supportable forward-looking information that is available without undue cost or effort. At each reporting date, historical default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL are disclosed in notes 18 and 27 respectively.

As at 31 December 2025, the carrying amount of trade receivables is HK\$40,529,000 (2024: HK\$31,752,000), net of allowance for ECL of HK\$1,529,000 (2024: HK\$1,763,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5 REVENUE AND SEGMENT INFORMATION

### Revenue

Revenue represents amounts received or receivable from printing products, and supply chain management service, which included material sourcing, logistics service and warehousing service.

### *Disaggregation of revenue from contracts with customers under HKFRS 15*

	2025 HK\$'000	2024 HK\$'000
<b>Revenue recognised at a point in time:</b>		
Printing products	93,917	108,067
Material sourcing	2,922	—
	<u>96,839</u>	<u>108,067</u>
<b>Revenue recognised over time:</b>		
Logistics service	107,009	9,520
Warehousing service	1,101	—
	<u>108,110</u>	<u>9,520</u>
Total revenue	<u>204,949</u>	<u>117,587</u>

### *Revenue from printing products*

The Group's contracts with customers for printing products (including books, novelty and packaging products) are based on customer's specification with no alternative use to the Group. Taking into consideration for contract terms and the relevant legal and regulatory environment that apply to those relevant contracts, revenue is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specified location. Transporting and handling activities that occur before customer obtain control are considered as fulfilment activities. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5 REVENUE AND SEGMENT INFORMATION (continued)

### Revenue (continued)

#### **Revenue from supply chain management service**

The supply chain management service included the following services:

- *Material sourcing*

The Group's contracts with customers for material sourcing comprise an integrated service to procure the required goods and deliver them to the customer across countries in Sub-Saharan Africa. Taking into consideration the contract terms and the relevant legal and regulatory environment that applies to those contracts, revenue is recognized when control of the goods has transferred, being when the goods are delivered to the customer's specified location. Transporting and handling activities that occur before customer obtain control are considered as fulfilment activities. The normal credit term is 30 to 60 days upon issuance of invoices.

- *Logistics service*

Logistic service involves handling of cargoes transported by trucks across countries in Sub-Saharan Africa. Revenue is recognised over the transit time from the points of departure to the agreed off-loading points, as performance obligations are satisfied over time. The standard credit term is 30 to 60 days upon issuance of invoices.

- *Warehousing service*

Warehousing service involves the provision of warehousing service on the products or cargoes of the customers at the warehouse of the Group in the Sub-Saharan Africa. Revenue is recognised when warehousing service are rendered. The standard credit term is 30 to 60 days upon issuance of invoices.

#### **Transaction price allocated to the remaining performance obligation for contracts with customers**

All sales/service contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to unsatisfied performance obligations is not disclosed.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5 REVENUE AND SEGMENT INFORMATION (continued)

#### Segments information

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

In the second half of 2024, the Group commenced the business of supply chain management service along with the establishment of companies in Republic of Zambia (“**Zambia**”) and it is considered as a new operating and reportable segment by the CODM.

The Group’s reportable segments under HKFRS 8 “Operating Segments” are as follows:

Operating segments	Nature of business activities
Printing segment	Printing and sales of books, novelty and packaging products
Supply chain management service segment	Provision of material sourcing, logistics service and warehousing services

#### Segment revenues and results

The following is an analysis of the Group’s revenue and results by reportable segments:

#### For the year ended 31 December 2025

	Supply chain management service segment HK\$’000	Printing segment HK\$’000	Total HK\$’000
Segment revenue			
External sales	111,032	93,917	204,949
Segment profit/(loss)	30,780	(7,927)	22,853
Unallocated other income, other gains and losses			17
Unallocated administration expenses			(3,003)
Profit before taxation			19,867

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5 REVENUE AND SEGMENT INFORMATION (continued)

### Segments information (continued)

#### Segment revenues and results (continued)

#### For the year ended 31 December 2024

	Supply chain management service segment <i>HK\$'000</i>	Printing segment <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue			
External sales	9,520	108,067	117,587
Segment profit/(loss)	361	(5,608)	(5,247)
Unallocated other income, other gains and losses			98
Unallocated administration expenses			(6,851)
Loss before taxation			(12,000)

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represent profit/(loss) before taxation earned by each segment without allocation of certain administration expenses, and other income, other gains and losses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5 REVENUE AND SEGMENT INFORMATION (continued)

#### Segment information (continued)

##### Segment assets and liabilities

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

As at 31 December 2025

	Supply chain management service segment HK\$'000	Printing segment HK\$'000	Total HK\$'000
<b>Segment assets</b>	<b>132,717</b>	<b>88,770</b>	<b>221,487</b>
<b>Unallocated items:</b>			
Corporate assets			17,502
Consolidated assets			<b>238,989</b>
<b>Segment liabilities</b>	<b>64,503</b>	<b>17,772</b>	<b>82,275</b>
<b>Unallocated items:</b>			
Corporate liabilities			20,253
Consolidated liabilities			<b>102,528</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5 REVENUE AND SEGMENT INFORMATION (continued)

**Segment information** (continued)

**Segment assets and liabilities** (continued)

**As at 31 December 2024**

	Supply chain management service segment <i>HK\$'000</i>	Printing segment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Segment assets</b>	40,559	101,218	141,777
<b>Unallocated items:</b>			
Corporate assets			716
Consolidated assets			142,493
<b>Segment liabilities</b>	10,410	18,097	28,507
<b>Unallocated items:</b>			
Corporate liabilities			827
Consolidated liabilities			29,334

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 5 REVENUE AND SEGMENT INFORMATION (continued)

#### Other Segment information

Amounts included in the measure of segment profit or loss or segment assets:

#### For the year ended 31 December 2025

	Printing segment HK\$'000	Supply chain management service segment HK\$'000	Total HK\$'000
Addition to property, plant and equipment	6,313	20,372	26,685
Addition to right-of-use assets	1,410	27,125	28,535
Addition to deposit paid for property, plant and equipment	—	3,720	3,720
Addition to investment properties	—	5,580	5,580
Depreciation of property, plant and equipment	5,551	879	6,430
Depreciation of right-of-use assets	2,565	1,382	3,947
Changes in fair value of investment properties	—	(293)	(293)
(Reversal of allowance)/allowance for expected credit losses on trade receivables, net	(260)	26	(234)
Gain on disposal of property, plant and equipment, net	(7)	—	(7)
Gain on lease modification	—	(98)	(98)

#### For the year ended 31 December 2024

	Printing segment HK\$'000	Supply chain management service segment HK\$'000	Total HK\$'000
Addition to property, plant and equipment	2,596	—	2,596
Addition to right-of-use assets	—	4,710	4,710
Addition to deposit paid for property, plant and equipment	2,041	—	2,041
Depreciation of property, plant and equipment	5,132	—	5,132
Depreciation of right-of-use assets	2,555	523	3,078
Allowance for expected credit losses on trade receivables, net	118	—	118
Loss on disposal of property, plant and equipment, net	7	—	7

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5 REVENUE AND SEGMENT INFORMATION (continued)

### Geographical information

Information about the Group's revenue from external customers presented based on the geographical location of the customers and the Group's non-current assets presented based on the geographical location of the assets are as follows:

	Revenue from external customers	
	2025 HK\$'000	2024 HK\$'000
Zambia	91,203	6,870
Hong Kong	55,869	61,481
South Africa	19,829	2,640
United States	10,965	17,706
The PRC	7,215	7,136
Australia	5,689	4,732
France	5,166	6,702
Netherlands	4,775	4,809
United Kingdom	2,866	3,513
Others	1,372	1,998
	<b>204,949</b>	<b>117,587</b>
	Non-current assets	
	2025 HK\$'000	2024 HK\$'000
Zambia	50,108	4,013
The PRC	28,656	31,287
Hong Kong	2,311	168
	<b>81,075</b>	<b>35,468</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5 REVENUE AND SEGMENT INFORMATION (continued)

### Geographical information (continued)

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

	2025 HK\$'000	2024 HK\$'000
Customer A <sup>1</sup>	52,945	—
Customer B <sup>2</sup>	37,758	44,557
Customer C <sup>1</sup>	24,169	—

<sup>1</sup> Revenue from supply chain management service business.

<sup>2</sup> Revenue from printing business.

## 6 OTHER INCOME

	2025 HK\$'000	2024 HK\$'000
Government grants (note (i))	784	1,021
Bank interest income	650	1,493
Logistics surcharge (note (ii))	4,119	—
Sundry income	54	68
	<b>5,607</b>	<b>2,582</b>

Notes:

(i) Government grants represent export incentive and other incentive payments received by the Group from the relevant government department. There are no unfulfilled conditions attached to those grants.

(ii) Logistics surcharge mainly represents the net amount of demurrage and other logistics costs recharged to customers during the provision of logistics service, after deducting the related charges paid by the Group.

## 7 OTHER GAINS AND LOSSES

	2025 HK\$'000	2024 HK\$'000
Net exchange gain	629	1,300
Changes in fair value of investment properties	293	—
Gain/(loss) on disposal of property, plant and equipment, net	7	(7)
Gain on lease modification	98	—
	<b>1,027</b>	<b>1,293</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 8 FINANCE COSTS

	2025 HK\$'000	2024 HK\$'000
Interest on convertible bonds	952	—
Interest on lease liabilities	324	348
	<b>1,276</b>	348

## 9 PROFIT/(LOSS) FOR THE YEAR

	2025 HK\$'000	2024 HK\$'000
Profit/(loss) for the year has been arrived at after charging:		
Staff costs		
Directors' remuneration ( <i>note 10</i> )	2,242	1,909
Other staff costs		
— Salaries and allowances	31,431	31,775
— Retirement benefit schemes contributions	5,127	4,852
Total staff costs	38,800	38,536
Capitalised in inventories	(27,418)	(29,834)
	<b>11,382</b>	8,702
Depreciation of property, plant and equipment	6,430	5,132
Depreciation of right-of-use assets	3,947	3,078
Capitalised in inventories	(5,182)	(6,171)
	<b>5,195</b>	2,039
Auditor's remuneration	760	680
Cost of inventories recognised as an expense	86,072	94,938

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 10 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

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

Directors' and chief executive's remuneration for the year is as follows:

	Fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit schemes contributions HK\$'000	Total HK\$'000
<b>For the year ended 31 December 2025</b>					
<b>Executive directors</b>					
Mr. Ng (note (i))	—	120	—	6	126
Mr. Chu Lok Fung Barry (note (ii))	—	420	—	18	438
Mr. Chen Kun	—	420	—	18	438
Mr. Lam Tak Ling Derek	—	576	40	24	640
<b>Independent non-executive directors</b>					
Dr. Wu Ka Chee Davy	200	—	—	—	200
Mr. Yiu Ho Chi Stephen	200	—	—	—	200
Ms. Law Ying Wai Denise	200	—	—	—	200
	<b>600</b>	<b>1,536</b>	<b>40</b>	<b>66</b>	<b>2,242</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 10 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

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

	Fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonus HK\$'000	Retirement benefit schemes contributions HK\$'000	Total HK\$'000
<b>For the year ended 31 December 2024</b>					
<b>Executive directors</b>					
Mr. Ng ( <i>note (i)</i> )	—	120	—	6	126
Mr. Chu Lok Fung Barry ( <i>note (ii)</i> )	—	120	—	6	126
Mr. Chen Kun	—	420	—	18	438
Mr. Lam Tak Ling Derek	—	557	38	24	619
<b>Independent non-executive directors</b>					
Dr. Wu Ka Chee Davy	200	—	—	—	200
Mr. Yiu Ho Chi Stephen	200	—	—	—	200
Ms. Law Ying Wai Denise	200	—	—	—	200
	<u>600</u>	<u>1,217</u>	<u>38</u>	<u>54</u>	<u>1,909</u>

*Notes:*

- (i) On 22 May 2025, Mr. Ng resigned as the chief executive officer.
- (ii) On 22 May 2025, Mr. Chu Lok Fung Barry was appointed as chief executive officer.

The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group. The emoluments of the independent non-executive directors shown above were paid for their services as directors of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 10 DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

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

The discretionary bonus is determined with reference to the operating results, individual performance and market condition during the relevant year.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

#### (b) Employees' emoluments

The five highest paid employees of the Group during the year included one (2024: one) director, details of whose remuneration are set out in disclosure above. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Employees		
— salaries and allowances	3,077	2,985
— discretionary bonus	256	248
— retirement benefit schemes contributions	72	72
	<u>3,405</u>	<u>3,305</u>

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

	2025 <i>No. of employee</i>	2024 <i>No. of employee</i>
Less than HK1,000,000	3	3
HK\$1,000,001 to HK\$1,500,000	1	1
	<u>4</u>	<u>4</u>

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company waived any emoluments during the reporting period.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 11 TAXATION

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Current tax		
Zambia Corporate Income Tax	<u>6,824</u>	<u>—</u>

No provision for Hong Kong Profits Tax has been made for the years ended 31 December 2025 and 2024 as the relevant group entities did not have assessable profits subject to Hong Kong Profits Tax for both years.

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for the year ended 31 December 2025 and 2024. No provision for the PRC Enterprise Income Tax has been made for the years ended 31 December 2025 and 2024 as the PRC subsidiary did not have assessable profits subject to the PRC Enterprise Income Tax for both years.

Under the Zambia Income Tax Act, Chapter 323 of the Laws of Zambia, the general corporate income tax rate applicable to the Zambia subsidiaries is 30% for the year ended 31 December 2025 (2024: no provision for Zambia Corporate Income Tax has been made for the year as the group entities did not have any assessable profit subject to Zambia Corporate Income Tax).

On 9 December 2022, the United Arab Emirates Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (“**CT Law**”) to implement a new Federal Corporate Tax (“**CT**”) regime in the United Arab Emirates (“**UAE**”). The CT Law is considered enacted for reporting purposes. Generally, UAE businesses are subject to a 9% CT rate, however, a 0% CT rate applies to taxable income not exceeding UAE dirham (“**AED**”) 375,000. The 0% CT rate also applies to the Qualifying Income of Free Zone entities derived from transactions in respect of Qualifying Activities, as such no provision for UAE Corporate Income Tax is required to be made for the year ended 31 December 2025 (2024: no provision for UAE CT has been made for the year as the group entities did not have any assessable profit subject to UAE CT).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 11 TAXATION (continued)

The taxation charge for the year can be reconciled to the profit/(loss) before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Profit/(loss) before taxation	<b>19,867</b>	(12,000)
Tax charge at the Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	<b>3,278</b>	(1,980)
Effect of different tax rates of group entities operating in other jurisdictions	<b>2,242</b>	12
Tax effect of expenses not deductible for tax purpose	<b>202</b>	1,174
Tax effect of income not taxable for tax purpose	<b>(492)</b>	(287)
Tax effect of utilisation of unused tax losses previously not recognised	<b>(671)</b>	—
Tax effect of tax losses not recognised	<b>2,265</b>	1,081
	<b>6,824</b>	—

At the end of the reporting period, the Group has unused tax losses of HK\$29,406,000 (2024: HK\$19,002,000) available for offsetting against future profits. No deferred tax assets has been recognised due to the unpredictability of future profit streams.

Included in unrecognised tax losses is an amount of HK\$7,840,000 (2024: HK\$7,326,000) which can be carried forward up to five years from the year in which the loss was incurred, and an amount of HK\$21,566,000 (2024: HK\$11,676,000) which does not expire under the current tax legislation.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 12 DIVIDENDS

No dividend was paid or proposed for ordinary shareholders of the Company during the years ended 31 December 2025 and 2024, nor has been proposed since the end of the reporting period.

## 13 EARNINGS/(LOSS) PER SHARE

The calculation of the basic earnings/(loss) per share for the year is based on the following data:

	<b>2025</b>	2024
	<b>HK\$'000</b>	HK\$'000
Profit/(loss) for the year attributable to owners of the Company	<b>7,890</b>	(12,000)
	<b>Number of shares</b>	
	<b>2025</b>	2024
Weighted average number of ordinary shares for the purpose of basic earnings/(loss) per share	<b>1,020,000,000</b>	1,020,000,000

The convertible bonds are not included in the calculation of diluted earnings per share because they are antidilutive since their assumed exercise would result in an increase in earnings per share for the year ended 31 December 2025 (2024: no diluted loss per share is presented as there were no potential ordinary shares in issue during the year).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 14 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Machineries HK\$'000	Furniture, fixtures and equipment HK\$'000	Construction- in progress HK\$'000	Total HK\$'000
<b>Cost</b>							
At 1 January 2024	—	—	—	59,425	3,341	—	62,766
Additions	—	—	—	2,331	265	—	2,596
Disposal	—	—	—	(414)	—	—	(414)
Exchange realignments	—	—	—	(2,171)	(105)	—	(2,276)
At 31 December 2024 and 1 January 2025	—	—	—	59,171	3,501	—	62,672
Additions	—	1,367	8,320	5,348	533	11,117	26,685
Transfer	11,117	—	—	—	—	(11,117)	—
Disposal	—	—	—	(224)	(383)	—	(607)
Exchange realignments	(13)	—	(10)	2,786	138	—	2,901
At 31 December 2025	11,104	1,367	8,310	67,081	3,789	—	91,651
<b>Depreciation</b>							
At 1 January 2024	—	—	—	31,748	1,854	—	33,602
Depreciation	—	—	—	4,720	412	—	5,132
Disposal	—	—	—	(361)	—	—	(361)
Exchange realignments	—	—	—	(1,222)	(54)	—	(1,276)
At 31 December 2024 and 1 January 2025	—	—	—	34,885	2,212	—	37,097
Depreciation	139	105	693	5,025	468	—	6,430
Disposal	—	—	—	(205)	(383)	—	(588)
Exchange realignments	—	—	—	1,673	85	—	1,758
At 31 December 2025	139	105	693	41,378	2,382	—	44,697
<b>Net book value</b>							
31 December 2025	10,965	1,262	7,617	25,703	1,407	—	46,954
31 December 2024	—	—	—	24,286	1,289	—	25,575

Depreciation is provided to write off the cost of items of property, plant and equipment, except for construction in progress, over their estimated useful lives after taking into account their estimated residual values, using the straight-line method:

Buildings	4% or over lease term
Leasehold improvements	5 – 10 years
Motor vehicles	3 – 5 years
Machineries	10 – 20 years
Furniture, fixtures and equipment	5 – 10 years

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 15 RIGHT-OF-USE ASSETS

	Leasehold land <i>HK\$'000</i>	Leased properties <i>HK\$'000</i>	Leased motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost</b>				
At 1 January 2024	—	17,443	—	17,443
Additions	—	—	4,710	4,710
Exchange realignments	—	(523)	(196)	(719)
At 31 December 2024 and 1 January 2025	—	16,920	4,514	21,434
Additions	27,125	1,410	—	28,535
Lease modification	—	(3,113)	(4,521)	(7,634)
Transfer to investment properties ( <i>note 16</i> )	(5,653)	—	—	(5,653)
Exchange realignments	135	629	7	771
At 31 December 2025	21,607	15,846	—	37,453
<b>Depreciation</b>				
At 1 January 2024	—	10,877	—	10,877
Depreciation	—	2,555	523	3,078
Exchange realignments	—	(351)	(22)	(373)
At 31 December 2024 and 1 January 2025	—	13,081	501	13,582
Depreciation	628	2,565	754	3,947
Lease modification	—	(3,113)	(1,256)	(4,369)
Transfer to investment properties ( <i>note 16</i> )	(73)	—	—	(73)
Exchange realignments	—	515	1	516
At 31 December 2025	555	13,048	—	13,603
<b>Net book value</b>				
31 December 2025	21,052	2,798	—	23,850
31 December 2024	—	3,839	4,013	7,852

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 15 RIGHT-OF-USE ASSETS (continued)

The analysis of expense items in relation to lease recognised in profit or loss is as follows:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Interest expenses on lease liabilities	<b>324</b>	348
Total cash outflow for leases	<b>30,687</b>	3,282

For the years ended 31 December 2025 and 2024, the Group leases an office and a factory for its production and printing operations of books, novelty and packaging products in the PRC and leases numerous motor vehicles to support its supply chain management service business in Zambia. Lease contracts are entered into for fixed terms of 2 to 3 years (2024: 2 to 3 years). Lease terms are negotiated on an individual basis and contain different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable. No extension options are included in all lease agreements entered by the Group.

During the year ended 31 December 2025, the Group acquired leasehold land located in Zambia and has recognised a right-of-use asset of approximately HK\$27,125,000, of which the acquisition of the leasehold lands was financed by net proceeds from share placing of the Company completed on 5 August 2022 and internal funding. Subsequent to the acquisition, the vendor of the leasehold lands had subscribed (i) 2,500 ordinary shares of a subsidiary of the Group of approximately HK\$5,425,000, which is considered as deemed disposal of equity interest held by the Group from 100% to 80%; and (ii) convertible bonds of approximately HK\$20,100,000 issued by the Company as disclosed in note 22.

Furthermore, the Group entered into a lease agreement for use of office located in Hong Kong (2024: use of motor vehicles registered in Zambia). Right-of-use assets with the value of HK\$1,410,000 (2024: HK\$4,710,000) and lease liabilities of HK\$1,410,000 (2024: HK\$4,710,000) were registered at commencement of the lease. During the year ended 31 December 2025, the Group early terminated the lease agreement for use of motor vehicles registered in Zambia, a gain on lease modification of HK\$98,000 was recognised in "other gains and losses" for the year (2024: nil).

As at 31 December 2025, the Group's right-of-use assets are located in the following geographical location:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
The PRC	<b>1,779</b>	3,744
Hong Kong	<b>1,019</b>	95
Zambia	<b>21,052</b>	4,013
	<b>23,850</b>	7,852

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 15 RIGHT-OF-USE ASSETS (continued)

As at 31 December 2025, lease liabilities include an amount of HK\$2,933,000 (2024: HK\$7,998,000) relating to termination option reasonably certain not to be exercised by the Group. There are no other potential termination options and potential future lease payments not included in lease liabilities as at 31 December 2025. The Group assesses at lease commencement date whether it is reasonably certain not to exercise the termination option. In addition, the Group reassesses whether it is reasonably certain not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. During the year ended 31 December 2025, there is no such triggering event.

In addition, lease liabilities of HK\$2,933,000 are recognised with related right-of-use assets of HK\$2,798,000 as at 31 December 2025 (2024: lease liabilities of HK\$7,998,000 are recognised with related right-of-use assets of HK\$7,852,000). The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

## 16 INVESTMENT PROPERTIES

The Group leases out a portion of its leasehold land under operating leases. The lease runs for an initial period of approximately 5 years, with rights to extend the lease beyond initial period subject to the negotiation by both parties. The lease contracts contain the Group's commitment to purchase the property constructed by the lessee on the leasehold land at the end of lease term.

	2025 HK\$'000	2024 HK\$'000
<b>Fair value</b>		
At 1 January 2025	—	—
Transfer from right-of-use assets ( <i>note 15</i> )	5,580	—
Increase in fair value recognised in profit or loss	293	—
Exchange realignments	(7)	—
At 31 December 2025	<u>5,866</u>	<u>—</u>

The fair value of the Group's investment properties as at 31 December 2025 has been arrived at on the basis of a valuation carried out by Fairworld Properties Limited, an independent qualified professional valuer.

In determining the fair value of the relevant properties, the management of the Group had on-going discussions with the valuer to determine the appropriate valuation techniques and inputs for fair value measurements and based on the highest and best use of the properties is their current use.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 16 INVESTMENT PROPERTIES (continued)

The key input used in valuing the investment properties as at 31 December 2025 is as follows:

Description	Valuation techniques	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Leasehold land in Zambia 2025: HK\$5,866,000	Direct comparison approach	Premium on quality of the leasehold land of 7%	A decrease in the premium on quality of the leasehold land would result in a decrease in fair value, and vice versa

The fair value measurement is categorised into Level 3 fair value hierarchy.

### 17 INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	5,842	6,326
Working in progress	5,280	5,262
Finished goods	2,700	5,916
	<b>13,822</b>	17,504

### 18 TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
<b>Non-current</b>		
Deposit paid for property, plant and equipment	3,720	2,041
Deposit paid for intangible assets	685	—
	<b>4,405</b>	2,041
<b>Current</b>		
Trade receivables	42,058	33,515
Less: Allowance for expected credit losses	(1,529)	(1,763)
	<b>40,529</b>	31,752
Rental and other deposits	169	139
Other receivables	12,961	—
	<b>53,659</b>	31,891
Financial assets at amortised cost	2,490	2,346
	<b>56,149</b>	34,237
Total trade and other receivables	<b>60,554</b>	36,278

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 18 TRADE AND OTHER RECEIVABLES (continued)

The Group allows credit period ranging from 30 to 90 days. The following ageing analysis of trade receivables, net of allowance for expected credit losses, presented based on invoice date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	14,065	13,638
31 to 60 days	17,798	7,873
61 to 90 days	3,265	5,024
Over 90 days	5,401	5,217
	<u>40,529</u>	<u>31,752</u>

Included in trade and other receivables are the following amounts denominated in currencies other than functional currencies of the respective group entities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
United States Dollars (“ <b>US\$</b> ”)	<u>6,723</u>	<u>13,172</u>

As at 31 December 2025, included in the Group’s trade receivables balance are debtors with aggregate carrying amount of HK\$6,720,000 (2024: HK\$7,660,000), which are past due at the end of the reporting period. Out of the past due balances, HK\$1,866,000 (2024: HK\$881,000) has been past due over 90 days or more and is not considered as in default, as the Group considered such balances could be recovered based on long term/on-going relationship and good repayment record from these customers. The Group does not hold any collateral over these balances.

As at 31 December 2025, included in the Group’s trade receivables are balances of HK\$258,000 (2024: HK\$162,000) due from a related party, which is a company wholly-owned by Ms. Tse Yuen Shan Ivy (“**Ms. Tse**”) (a director of the Group’s subsidiary) and her family. The amounts are repayable within three months from the goods delivery dates.

Details of impairment assessment of trade and other receivables are set out in note 27.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 19 CASH AND CASH EQUIVALENTS

Bank balances carry interest at prevailing market rates of 0.001% to 3.43% per annum as at 31 December 2025 (2024: 0.01% to 4.13% per annum). Details of impairment assessment are set out in note 27.

Also, included in bank balances are the following amounts denominated in currencies other than the functional currencies of the respective group entities:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
HK\$	581	29,397
US\$	15,124	8,290
Zambia Kwacha (“ZMW”)	8,184	12

### 20 TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES

#### Trade and other payables

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
<b>Non-current</b>		
Other payable	316	—
<b>Current</b>		
Trade payables	29,859	11,125
Accrued expense	6,852	7,996
Construction payables	11,195	—
Deferred government grants	1,277	—
Other payables	10,146	1,289
	<b>59,329</b>	20,410
Total trade and other payables	<b>59,645</b>	20,410

The credit period of trade payables is 30 to 90 days.

The following ageing analysis of trade payables is presented based on the invoice date:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within 30 days	26,081	8,040
31 to 60 days	1,763	2,827
61 to 90 days	853	166
Over 90 days	1,162	92
	<b>29,859</b>	11,125

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 20 TRADE AND OTHER PAYABLES/CONTRACT LIABILITIES (continued)

### Trade and other payables (continued)

Included in trade and other payables are the following amounts denominated in currencies other than functional currencies of the respective group entities:

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
US\$	<b>64</b>	134

### Contract liabilities

	<b>2025</b> <b>HK\$'000</b>	2024 <i>HK\$'000</i>
Contract liabilities on provision of material sourcing and logistics services	<b>14,695</b>	—
Contract liabilities on sales of printing products	<b>427</b>	926
	<b>15,122</b>	926

During the year ended 31 December 2025, an amount of HK\$926,000 (2024: HK\$498,000) related to brought-forward contract liabilities is recognised as revenue.

Contract liabilities represent deposits received in advance for the sales of printing products and provision of material sourcing and logistics services. For certain Group's customers, the Group receives deposits before commencement of logistic services, production of printing products and/or procurements of material, which gives rise to contract liabilities until the goods or services have been delivered or performed.

The significant increase in contract liabilities as at 31 December 2025 was mainly due to the expansion of the Group's supply chain management service business during the year ended 31 December 2025.

All contract liabilities is expected to be recognised as revenue within one year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 21 LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities payable:		
Within one year	2,355	3,584
Within a period of more than one year but not exceeding two years	578	4,414
	<b>2,933</b>	7,998
Less: Amount due for settlement with 12 months shown under current liabilities	<b>(2,355)</b>	(3,584)
Amount due for settlement after 12 months shown under non-current liabilities	<b>578</b>	4,414

The weighted average incremental borrowings rates applied to lease liabilities range from 4.5% to 5.0% (2024: from 3.42% to 7.60%)

## 22 CONVERTIBLE BONDS

The Company issued HK\$20,100,000 zero coupon interest convertible bonds at a par value of HK\$100,000 each on 3 January 2025 to DCQ Holdings Limited (“**DCQ**”), an independent third-party. The issuance of the convertible bonds was part of the financing arrangements for the Group’s acquisition of two pieces of leasehold land located in Zambia. The convertible bonds are denominated in Hong Kong dollars and are unsecured. The convertible bonds entitle the holder to convert them into ordinary shares of the Company at any time between 18 months from the issue date and the third anniversary of the issue date and at a conversion price of HK\$1.20 per share.

The Company has the option (the “**Call Option**”) to redeem the outstanding convertible bonds in full at par at any time prior to maturity. If the convertible bonds have not been converted or redeemed earlier, they will be redeemed on the third anniversary of the issue date at par.

At initial recognition, the equity component of the convertible bonds was separated from the liability component. The equity component is presented in equity under the heading “convertible bonds equity reserve”. The Call Option is considered as closely related to the host debt, and therefore not separately accounted for. The effective interest rate of the liability component is 5.43%.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 22 CONVERTIBLE BONDS (continued)

The movement of the liability component of the convertible bonds for the year ended 31 December 2025 is set out below:

	<b>2025</b> <b>HK\$'000</b>
Carrying amount at initial recognition	<b>17,083</b>
Interest charged	<b>952</b>
Carrying amount at 31 December 2025	<b>18,035</b>

## 23 SHARE CAPITAL

The share capital as at 31 December 2025 and 2024 represents the issued share capital of the Company with details as follows:

	<b>Number of shares</b> <i>'000</i>	<b>Share capital</b> <i>HK\$'000</i>
Authorised: <i>Ordinary shares of HK\$0.01 each</i> As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<b>2,000,000</b>	<b>20,000</b>
Issued and fully paid: <i>Ordinary shares of HK\$0.01 each</i> As at 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<b>1,020,000</b>	<b>10,200</b>

## 24 RETIREMENT BENEFITS SCHEME

The Group participates a Mandatory Provident Fund Scheme for all qualifying employees in Hong Kong. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the scheme, which contribution is matched by employees but subject to a maximum amount of HK\$1,500 per month for each employee. There is no forfeited contributions utilised by the Group during the year.

The employees employed by the PRC subsidiary are members of the state-managed retirement benefits scheme operated by the PRC government. The PRC subsidiary is required to contribute a certain percentage of the payroll cost to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the required contributions under the scheme.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 24 RETIREMENT BENEFITS SCHEME (continued)

The Group participates in the National Pension Scheme Authority (NAPSA) for all qualifying employees in Zambia. The assets of the scheme are held separately from those of the Group, managed by the NAPSA trustees. The Group contributes 5% of relevant payroll costs to the scheme, which is matched by employee contributions, subject to a maximum of ZMW 1,491 per month for each employee. There are no forfeited contributions utilised by the Group during the year.

During the year ended 31 December 2025, the amounts of contributions recognised by the Group are HK\$5,193,000 (2024: HK\$4,852,000).

### 25 SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 4 December 2017, a share option scheme (the “**Scheme**”) was adopted for the primary purpose of providing incentives to directors, employees and eligible participants. The Scheme shall be valid and effective for a period of 10 years commencing on 28 December 2017.

Under the Scheme, the Board of Directors of the Company may grant options to directors, employees, consultants, advisers, agents, vendors, suppliers of goods or services and customers of the Company and its subsidiaries and entities in which the Group holds equity interest at the discretion of the Board of Directors pursuant to the terms of the scheme, to subscribe for shares of the Company at a price which shall not be less than the highest of (i) the closing price of a share of the Company listed on Main Board of the Stock Exchange at the date of grant of the option; (ii) the average of the closing price of a share of the Company on Main Board of the Stock Exchange for the five trading days immediately preceding the date of grant of the option; and (iii) the nominal value of a share of the Company.

The maximum number of shares in respect of which options shall be granted under the Scheme and any other share option schemes of the Company is 10% of the total number of shares in issue at the date of approval of adoption of the Scheme. No director, employee or eligible participant may be granted options under the Scheme which will enable him or her if exercise in full to subscribe for more than 1% of the issued share capital of the Company in any 12-month period. The option period for which the options granted can be exercisable, shall be such period as notified by the Board of Directors, save that it shall not be more than 10 years from the date of grant subject to the terms of the Scheme. Nominal consideration of HK\$1 is payable on acceptance of each grant and the share options granted shall be accepted within 28 days from the date of grant.

No share option was granted or remained outstanding under the Scheme during both years.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 26 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the group entities will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes lease liabilities and liability component of convertible bonds disclosed in note 21 and 22, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, retained profits and other reserves.

The directors of the Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital, and will balance its overall capital structure through new share issues as well as the issue of new debts.

## 27 FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, deposits, other receivables, cash and cash equivalent, trade payables and other payables, lease liabilities and liability component of the convertible bonds. Details of the financial instruments are disclosed in respective notes to the consolidated financial statements. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management of the Group manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

### Market risks

#### Currency risk

Several subsidiaries of the Company have sales and purchases and bank balance denominated in currencies other than their functional currencies, which exposes the Group to foreign currency risk.

The carrying amounts of the group entities' foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

	Assets		Liabilities	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
HK\$	581	29,397	—	—
US\$	21,847	21,462	64	134
ZMW	8,184	12	—	—

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 27 FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Market risks (continued)

#### Currency risk (continued)

#### Sensitivity analysis

The group entities are primarily exposed to the exchange rate risk on HK\$ against US\$ and ZMW, for the foreign currency denominated monetary assets and liabilities. The directors of the Company consider that, as HK\$ is pegged to US\$ and the majority of HK\$ will convert to US\$ only, the Group is not subject to significant foreign currency risk from change in foreign exchange rate of HK\$ against US\$ and vice versa.

The following table details the Group's sensitivity to a 5% increase in the functional currencies, against the relevant foreign currency, ZMW, of the relevant group entities. 5% is the sensitivity rate used in management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of each reporting period for a 5% change in foreign currency rates. A negative number below indicates a increase in the Group's profit after tax for the year where the functional currency of the relevant group entities strengthens against the relevant foreign currency. For a 5% weakening of the functional currency of the relevant group entities, there would be an equal and opposite impact on the Group's profit after tax for the year.

	2025 HK\$'000	2024 HK\$'000
Foreign currency		
ZMW	<u>287</u>	<u>1</u>

In addition, following the latest changes to the regulatory requirements in Zambia, all domestic transactions of the Group's subsidiaries in Zambia must be settled in ZMW. While the transactions of the Group's subsidiaries in Zambia are mostly denominated in US\$, the Group is exposed to foreign exchange risks in respect of the exchange differences arising from translation between ZMW and US\$ for domestic expenditures in Zambia. The appreciation of ZMW may lead to an increase of our operating costs in Zambia. As at 31 December 2025, the net monetary liabilities denominated in US\$ and will be settled in ZMW is approximately HK\$20.3 million.

Given that the financial statements of the Group's subsidiaries in Zambia are presented in US\$ (which is pegged to HK\$), the Group's exposure to fluctuations in exchange rate from translation between US\$ and HK\$ is limited.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 27 FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### **Market risks** (continued)

##### *Interest rate risk*

The Group's bank balances have exposure to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate. The management of the Group considers the Group's exposure of the short-term bank balances to interest rate risk is not significant as interest bearing bank balances are within short maturity period.

No sensitivity analysis on interest rate risk is presented as the directors of the Company consider the overall interest rate risk is insignificant as the fluctuation of the interest rates on bank balances is minimal.

#### **Credit risk and impairment assessment**

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statement of financial position.

##### *Trade receivables*

As at 31 December 2025, the Group has concentration of credit risk on trade receivables from the Group's largest customer amounting to HK\$11,334,000 (2024: HK\$7,262,000), representing approximately 28% (2024: 23%) of the total trade receivables. As at 31 December 2025, trade receivables from the five largest customers amounting to HK\$25,160,000 (2024: HK\$15,581,000), representing approximately 62% (2024: 49%) of the total trade receivables.

Before accepting any new customer, the Group will internally assess the potential customer's credit quality and defines credit limits by customer. In order to minimise the credit risk of trade receivables arising from contracts with customers, the management of the Group is responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. For certain Group's customers, the Group will receive a deposit before commencement of logistics services, production and/or procurements of material to reduce the credit risk. The Group performs impairment assessment under ECL model on trade receivables individually, for significant balances and credit-impaired balances, and/or collectively based on the ageing grouping of trade receivables. Except for items that are subject to individual evaluation, which are assessed for impairment individually, the remaining trade receivables are grouped based on shared credit risk characteristics by reference to the ageing of outstanding balances.

The Group applies the simplified approach to provide for ECL prescribed by HKFRS 9, which permits the use of the lifetime ECL provision for trade receivables.

The following table provides information about the exposure to credit risk for trade receivables which are assessed based on collective basis as at 31 December 2025 and 2024 within lifetime ECL (not credit-impaired). ECL on debtors with significant or credit-impaired balances with gross carrying amounts of HK\$11,551,000 (2024: HK\$28,443,000) and HK\$1,422,000 (2024: HK\$1,491,000) were assessed individually, respectively.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 27 FINANCIAL INSTRUMENTS (continued)

#### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

Trade receivables (continued)

#### At 31 December 2025

	Gross carrying amount <i>HK\$'000</i>	Average loss rate %	Loss allowance <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>
Trade receivables				
Not past due	25,557	0.1	35	25,522
1 to 30 days past due	2,403	0.5	11	2,392
31 to 60 days past due	538	0.9	5	533
61 to 90 days past due	323	1.9	6	317
91 to 180 days past due	264	4.5	12	252
	<b>29,085</b>		<b>69</b>	<b>29,016</b>

#### At 31 December 2024

	Gross carrying amount <i>HK\$'000</i>	Average loss rate %	Loss allowance <i>HK\$'000</i>	Net carrying amount <i>HK\$'000</i>
Trade receivables				
Not past due	2,439	0.2	4	2,435
1 to 30 days past due	697	0.4	3	694
31 to 60 days past due	192	0.7	1	191
61 to 90 days past due	206	1.0	2	204
91 to 180 days past due	47	1.7	1	46
	<b>3,581</b>		<b>11</b>	<b>3,570</b>

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The grouping of ageing is regularly reviewed by the management of the Group to ensure relevant information is updated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 27 FINANCIAL INSTRUMENTS (continued)

#### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

#### Trade receivables (continued)

The following tables show the movement in lifetime ECL that has been recognised for trade receivables under the simplified approach.

	Lifetime ECL (not credit- impaired) <i>HK\$'000</i>	Lifetime ECL (credit- impaired) <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 January 2024	229	1,416	1,645
Changes due to financial instruments recognised as at 1 January 2024:			
— Impairment losses reversed	(229)	(43)	(272)
New financial asset originated	272	118	390
At 31 December 2024 and 1 January 2025	<b>272</b>	<b>1,491</b>	<b>1,763</b>
Changes due to financial instruments recognised as at 1 January 2025:			
— Impairment losses reversed	(272)	(118)	(390)
New financial asset originated	107	49	156
As at 31 December 2025	<b>107</b>	<b>1,422</b>	<b>1,529</b>

	As at 1 January 2025 <i>HK\$'000</i>	Impairment losses reversed <i>HK\$'000</i>	New financial asset originated <i>HK\$'000</i>	As at 31 December 2025 <i>HK\$'000</i>
Not credit-impaired				
Collective basis	11	(11)	69	69
Individual basis	261	(261)	38	38
Credit-impaired				
Individual basis	1,491	(118)	49	1,422
	<b>1,763</b>	<b>(390)</b>	<b>156</b>	<b>1,529</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 27 FINANCIAL INSTRUMENTS (continued)

### Financial risk management objectives and policies (continued)

#### Credit risk and impairment assessment (continued)

##### *Bank balance*

The credit risk for bank balances with gross carrying amount of HK\$87,943,000 (2024: HK\$55,284,000) is considered as not material as such amount is placed in reputable banks with high credit ratings, ranging from Aa3 to Baa2, assigned by international credit-rating agencies. The management of the Group assessed 12-month ECL for bank balances by reference to information relating to probability of default and loss given default of the respective credit rating grades published by external credit rating agencies. Based on the average loss rates, the 12-month ECL on bank balances is considered to be insignificant and therefore no loss allowance was recognised.

##### *Deposits and other receivables*

For deposits and other receivables with gross carrying amount of HK\$13,130,000 (2024: HK\$139,000), the management makes periodic individual assessment on the recoverability of deposits based on historical settlement records, past experience, and also quantitative and qualitative information that is reasonable and supportive forward-looking information. The management believes that there are no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on 12-month ECL. For the years ended 31 December 2025 and 2024, the Group assessed the ECL for deposits to be insignificant and thus no loss allowance is recognised.

#### **Liquidity risk**

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management of the Group to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management of the Group also regularly monitors the operating cash flows of the Group to meet its liquidity requirements in short and long term.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 27 FINANCIAL INSTRUMENTS (continued)

#### Financial risk management objectives and policies (continued)

##### Liquidity risk (continued)

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of reporting period.

	Weighted average interest rate %	On demand or less than 3 month HK\$'000	3 month to 1 year HK\$'000	1-5 year HK\$'000	Total undiscounted cash flows HK\$'000	Carrying amount HK\$'000
<b>At 31 December 2025</b>						
Trade and other payables	—	51,516	—	—	51,516	51,516
Lease liabilities	4.68	470	1,965	597	3,032	2,933
Liability component of the convertible bonds	5.43	—	—	20,100	20,100	18,035
		<b>51,986</b>	<b>1,965</b>	<b>20,697</b>	<b>74,648</b>	<b>72,484</b>
<b>At 31 December 2024</b>						
Trade and other payables	—	12,414	—	—	12,414	12,414
Lease liabilities	6.06	1,082	2,987	4,928	8,997	7,998
		<b>13,496</b>	<b>2,987</b>	<b>4,928</b>	<b>21,411</b>	<b>20,412</b>

#### Fair value

The management of the Group considers that the carrying amount of financial asset and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 28 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Lease Liabilities HK\$'000	Liability component of convertible bonds HK\$'000	Total HK\$'000
<b>At 1 January 2024</b>	6,596	—	6,596
Financing cash flow	(3,282)	—	(3,282)
New leases entered	4,710	—	4,710
Finance cost recognised	348	—	348
Exchange adjustment	(374)	—	(374)
<b>At 31 December 2024 and 1 January 2025</b>	7,998	—	7,998
Financing cash flow	(3,562)	20,100	16,538
New leases entered	1,410	—	1,410
Lease modification	(3,363)	—	(3,363)
Finance cost recognised	324	952	1,276
Recognition of equity component of convertible bonds	—	(3,017)	(3,017)
Exchange adjustment	126	—	126
<b>As at 31 December 2025</b>	2,933	18,035	20,968

### 29 RELATED PARTY DISCLOSURES

During the year, the Group entered into the following transactions with related parties:

- (a) The remuneration of key management personnel who are the directors of the Company during the year was disclosed in note 10.
- (b) During the year ended 31 December 2025, the Group made sales of printing products totalling HK\$701,000 (2024: HK\$1,552,000), to Tse Wing Hang Limited (trading as Richmond Company), a company of which Ms. Tse (a director of the Group's subsidiary), and her family hold 100% equity interest.

Details of the balance with a related party at the end of each reporting period are disclosed in the note 18.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 30 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

The financial information of the Company is as follows:

	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>		
Investment in subsidiaries	85,607	63,486
<b>Current assets</b>		
Prepayments	371	368
Amounts due from subsidiaries	19,504	—
Cash and cash equivalents	14,377	261
	<b>34,252</b>	629
<b>Current liabilities</b>		
Accruals	1,001	809
Amount due to a subsidiary	44,706	7,818
	<b>45,707</b>	8,627
<b>Net current liabilities</b>	<b>(11,455)</b>	(7,998)
<b>Total assets less current liabilities</b>	<b>74,152</b>	55,488
<b>Non-current liability</b>		
Convertible bonds	18,035	—
<b>NET ASSETS</b>	<b>56,117</b>	55,488
<b>Capital and reserves</b>		
Share capital	10,200	10,200
Reserves ( <i>note</i> )	45,917	45,288
<b>TOTAL EQUITY</b>	<b>56,117</b>	55,488

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 30 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

	Share premium <i>HK\$'000</i>	Convertible bonds equity reserve <i>HK\$'000</i>	Other reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total reserves <i>HK\$'000</i>
At 1 January 2024	55,130	—	25,000	(29,440)	50,690
Loss and total comprehensive expense for the year	—	—	—	(5,402)	(5,402)
At 31 December 2024	55,130	—	25,000	(34,842)	45,288
Loss and total comprehensive expense for the year	—	—	—	(2,388)	(2,388)
Transaction with owners in their capacity as owners:					
– Recognition of convertible bonds	—	3,017	—	—	3,017
At 31 December 2025	55,130	3,017	25,000	(37,230)	45,917

The other reserve arose as part of the group reorganisation on acquisition of CP Printing by a subsidiary of the Company for a consideration of HK\$25,000,000 from Mr. Lam Tak Ling Derek, Mr. Chan Yee Yeung and Ms. Tse.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 31 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of the principal subsidiaries with active operations of the Group for the year:

Name of subsidiary	Place of incorporation/ registration/ operations	Issued and fully paid share capital/registered capital		Equity interest attributable to the Company		Principal activities
		2025	2024	2025	2024	
<b>Directly held</b>						
Wealthy Global	BVI	<b>US\$200</b>	US\$200	<b>100%</b>	100%	Investment holding
<b>Indirectly held</b>						
CP Printing	Hong Kong	<b>HK\$12,290,090</b>	HK\$12,290,090	<b>100%</b>	100%	Distribution of printing products
同利紙製品(河源)有限公司 (CP Printing (Heyuan) Limited)*	The PRC — wholly-owned foreign enterprise	<b>HK\$18,200,000</b>	HK\$18,200,000	<b>100%</b>	100%	Printing of books, novelty and packaging products
Huge Cheer Limited#	Hong Kong	<b>HK\$5,435,000</b>	HK\$10,000	<b>80%</b>	100%	Investment holding
Tera Fleet Management Limited	Zambia	<b>US\$1,000</b>	US\$100,000	<b>80%</b>	100%	Provision of supply chain management services
Tera Logistics Limited	Zambia	<b>ZMW20,000</b>	ZMW1,000,000	<b>80%</b>	100%	Provision of supply chain management services
Tera Fleet Management DMCC	UAE	<b>AED100,000</b>	AED100,000	<b>80%</b>	100%	Provision of supply chain management services

\* The English translation of CP Printing (Heyuan) Limited's name for reference only. The official name of CP Printing (Heyuan) Limited is in Chinese.

# Huge Cheer Limited held 100% equity interest in Tera Fleet Management Limited, Tera Logistics Limited and Tera Fleet Management DMCC and are collectively referred to as the "HCL Group"

None of the subsidiaries had issued any debt securities at the end of the year.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 31 INVESTMENTS IN SUBSIDIARIES (continued)

The following table lists out the information relating to the HCL Group which has material non-controlling interest (“**NCI**”). The summarised financial information represents the amounts before any inter-company elimination.

	<b>HCL Group 2025 HK\$'000</b>
NCI percentage	<b>20%</b>
Current assets	<b>85,246</b>
Non-current assets	<b>50,793</b>
Current liabilities	<b>(82,796)</b>
Non-current liability	<b>(316)</b>
Equity attributable to owner of the Company	<b>42,342</b>
Non-controlling interests of HCL Group	<b>10,585</b>
Revenue	<b>111,032</b>
Profit attributable to owner of the Company	<b>20,612</b>
Profit attributable to NCI	<b>5,153</b>
Profit for the year	<b>25,765</b>
Total comprehensive income attributable to owner of the Company	<b>20,641</b>
Total comprehensive income attributable to NCI	<b>5,160</b>
	<b>25,801</b>
Cash flows generated from operating activities	<b>40,183</b>
Cash flows used in investing activities	<b>(32,141)</b>
Cash flows generated from financing activities	<b>14,815</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 32 CAPITAL COMMITMENTS

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Capital expenditure in respect of the acquisition the following contracted for but not provided in the consolidated financial statements		
– Property, plant and equipment (other than construction in progress)	16,333	1,103
– Leasehold land	—	27,125
– Construction-in-progress	—	11,218
	<b>16,333</b>	<b>39,446</b>

## 33 OPERATING LEASES

### The Group as lessor

Lease payments receivables on leases are as followed:

	2025 <i>HK\$'000</i>	2024 <i>HK\$'000</i>
Within one year	212	—
Between one and two years	874	—
Between three and five years	2,403	—
	<b>3,489</b>	<b>—</b>

## 34 COMPARISON FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation. The new classification of the accounting items was considered to provide a more appropriate presentation of the state of affairs of the Group.

# FIVE-YEAR FINANCIAL SUMMARY

## RESULTS

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Revenue</b>	<b>204,949</b>	117,587	97,241	131,647	167,899
Profit/(loss) before taxation	<b>19,867</b>	(12,000)	(3,666)	(16,500)	2,788
Taxation	<b>(6,824)</b>	—	(24)	—	(1,139)
<b>Profit/(loss) for the year</b>	<b>13,043</b>	(12,000)	(3,690)	(16,500)	1,649
<b>Other comprehensive income/(expense)</b> <i>Item that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising from translation of foreign operations	<b>1,817</b>	(1,444)	(1,314)	(6,459)	2,484
Total comprehensive income/(expense) for the year	<b>14,860</b>	(13,444)	(5,004)	(22,959)	4,133
<b>Profit/(loss) attributable to:</b>					
Owners of the Company	<b>7,890</b>	(12,000)	(5,004)	(16,500)	1,649
Non-controlling interests	<b>5,153</b>	—	—	—	—
	<b>13,043</b>	(12,000)	(5,004)	(16,500)	1,649

## ASSETS AND LIABILITIES

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>Assets</b>					
Non-current assets	<b>81,075</b>	35,468	35,730	43,318	45,933
Current assets	<b>157,914</b>	107,025	114,599	106,969	113,355
Total assets	<b>238,989</b>	142,493	150,329	150,287	159,288
<b>Equity and liabilities</b>					
Equity attributable to owners of the Company	<b>125,876</b>	113,159	126,603	131,607	133,881
Non-controlling interests	<b>10,585</b>	—	—	—	—
Total equity	<b>136,461</b>	113,159	126,603	131,607	133,881
Non-current liabilities	<b>18,929</b>	4,414	4,085	—	1,843
Current liabilities	<b>83,599</b>	24,920	19,641	18,680	23,564
	<b>102,528</b>	29,334	23,726	18,680	25,407
Total equity and liabilities	<b>238,989</b>	142,493	150,329	150,287	159,288