

**MOG Digitech Holdings Limited**

**馬可數字科技控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

**Stock Code: 1942**

# 2025 Annual Report



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# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Deng Zhihua (*Chairman and Co-CEO*)

Mr. Chen Yongzhong (*Co-CEO*)

Mr. Mo Mingdong (appointed on 14 February 2025)

Ms. Tang Tsz Yuet (resigned on 20 January 2026)

Mr. Zhou Yue

### Independent Non-Executive Directors

Mr. Yau Tung Shing

Mr. Gao Hongxiang

Ms. Chen Wen

## AUDIT COMMITTEE

Mr. Gao Hongxiang (*Chairman*)

Mr. Yau Tung Shing

Ms. Chen Wen

## REMUNERATION COMMITTEE

Mr. Gao Hongxiang (*Chairman*)

Mr. Deng Zhihua

Mr. Yau Tung Shing

## NOMINATION COMMITTEE

Mr. Deng Zhihua (*Chairman*)

Ms. Chen Wen (appointed on 30 June 2025)

Mr. Gao Hongxiang

Mr. Yau Tung Shing (retired on 30 June 2025)

## AUTHORIZED REPRESENTATIVES

Mr. Deng Zhihua

Mr. Chow Kit Ting (appointed on 18 September 2025)

Ms. Tang Tsz Yuet (resigned on 18 September 2025)

## COMPANY SECRETARY

Mr. Yu Wan Hei

## AUDITOR

Suya WWC CPA Limited

Unit 4 of the 27th Floor

Wu Chung House

213 Queen's Road East

Wanchai, Hong Kong

## REGISTERED OFFICE

Cricket Square

Hutchins Drive

PO Box 2681

Grand Cayman KY1-1111

Cayman Islands

## HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN CHINA

Room 201, 2nd Floor

Tower 2, Hengye Plaza

No. 1666 Ziyu Road

Chaoyang New City

Xihu District

Nanchang City

Jiangxi Province

China

# Corporate Information

## PRINCIPAL PLACE OF BUSINESS IN MALAYSIA

No. 1-2, 2nd Floor  
Jalan Kajang Indah 1  
Taman Kajang Indah  
Sg Chua, 43000 Kajang  
Selangor  
Malaysia

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1102, 11/F  
29 Austin Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai  
Hong Kong

## PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
1 Queen's Road Central,  
Central,  
Hong Kong

CIMB Islamic Bank Berhad  
17th Floor, Menara CIMB  
No. 1 Jalan Stesen Sentral 2  
Kuala Lumpur Sentral 50470  
Kuala Lumpur  
Malaysia

Maybank  
Ground & Mezzanine Floor  
No. 28-30, Jalan Tukang  
43000 Kajang  
Selangor  
Malaysia

## STOCK CODE

1942

## WEBSITE

<http://www.mogglobal.com>

# Chairman's Statement

Dear Shareholders,

On behalf of the board (the “**Board**”) of directors of MOG Digitech Holdings Limited (the “**Company**”), I am pleased to present to you the annual report of the Company and its subsidiaries (collectively the “**Group**”) for the financial year ended 31 December 2025 (the “**Year**”).

## REVIEW

The Group is principally engaged in digital payment solutions related business, e-commerce and, financing services and money lending business in the People's Republic of China (the “**PRC**”), optical product retail, and franchise and license management in Malaysia.

During the Year, the Group recorded a revenue of approximately RMB839.4 million. The revenue was mainly derived from its digital payment solutions related business in the PRC. The Group's loss for the Year was approximately RMB94.1 million and decreased by approximately RMB48.4 million.

## OUTLOOK

The Group remains committed to identifying strategic investments and partnerships in the insurance and financial technology related business while maintaining a focus on our digital payment solutions related business, e-commerce business, financing services business, money lending business and optical business. Looking ahead, we will continue to proactively pursue opportunities that drive sustainable growth and maximize long-term shareholder value.

## APPRECIATION

Finally, on behalf of the Board, I would like to express our sincere thanks to our important customers, shareholders, business partners, suppliers and other stakeholders for their trust and support to the Group. The Board would also like to express our sincere thanks to the Group's management team and staff for their hard work, loyalty and dedication.

**Deng Zhihua**

*Chairman of the Board*

31 March 2026

# Management Discussion and Analysis

## BUSINESS REVIEW

The Company and its subsidiaries (collectively referred to the “**Group**”) is principally engaged in digital payment solutions related business, e-commerce and, financing services and money lending business in the People’s Republic of China (the “**PRC**”), optical product retail, and franchise and license management in Malaysia.

## THE DIGITAL PAYMENT SOLUTIONS RELATED BUSINESS

The Group provides digital hardware procurement and sales trading service. The Group evaluates customer needs and their existing information technology infrastructure, and provides customers with information technology infrastructure solution services by recommending the digital hardware and/or software required for their information technology systems. The Group configures and purchases digital hardware and/or software according to customer requirements and specifications, and then integrates such digital hardware and/or software into the customer’s information technology system.

During the year ended 31 December 2025 (the “**Reporting Period**”), the Group encountered strong market competition, resulting in a decline in customer numbers within this segment. Nonetheless, the Group’s digital payment solutions business continued to make a substantial contribution to overall revenue. The ability to deliver comprehensive solutions tailored to the evolving needs of clients has continued to reinforce the Group’s position in the digital payment sector.

## THE E-COMMERCE BUSINESS

The Group has established a longstanding presence in the digital rights and interests sector, achieving numerous technological advancements and maintaining a good position within the PRC. Its subsidiary serves as an internet information technology platform provider, specialising in scene ecological digitalisation research.

Following the introduction of the welfare card, customer numbers increased in the second half of 2024, contributing to substantial business growth during the Reporting Period.

## THE FINANCING SERVICES AND MONEY LENDING BUSINESS

The Group provides (i) financing services to corporate clients which seeking funding to settle accounts receivable resulting from the acquisition of digital hardware from the Group and other corporate purpose and (ii) engages the money lending business in Hong Kong with a money lender license, in compliance with the Money Lenders Ordinance and Money Lenders regulations.

# Management Discussion and Analysis

Throughout the Reporting Period, the Group has developed comprehensive strategies to further expand its money lending operations, capitalising on growth opportunities and increasing market share following the capital injection received from the subscription under a specific mandate in February 2025. The Group will maintain its efforts to broaden its loan portfolio and diversify its customer base by offering an extensive range of mortgage, corporate, and personal loans.

## THE OPTICAL PRODUCT RETAIL, AND FRANCHISE AND LICENSE MANAGEMENT BUSINESS

The Group is offering a wide range of optical products which generally includes lenses, frames, contact lenses and sunglasses. Followed by the disposal of certain subsidiaries related to the optical product retail business in 2024, the Group continued its asset-light and service-oriented business strategy in the Reporting Period to realign resources and mitigate potential financial risks.

The Group has expanded its franchise and license management activities following a shift in its business model and the establishment of franchising agreements with divested subsidiaries, structured in accordance with each subsidiary's revenue performance. This strategy effectively mitigates risks by aligning prospective business growth with ownership interests, while minimizing exposure to uncertainties. Consequently, revenue from franchise and license management increased during the Reporting Period.

## FINANCIAL REVIEW

### Revenue and gross profit

During the Reporting Period, the Group recorded a revenue of approximately RMB839.4 million (for the year ended 31 December 2024 (the “**Corresponding Period**”): approximately RMB1,253.5 million). The Group also recorded a gross profit of approximately RMB165.8 million (Corresponding Period: approximately RMB157.8 million) and a gross profit margin of approximately 19.8% (Corresponding Period: approximately 12.6%), representing an increase of approximately 7.2% as compared to that of the Corresponding Period. The increase of the gross profit margin was mainly due to the decrease in revenue contributed from the digital payment solutions segment, which historically has a low profit margin, led to a higher overall gross profit margin for the Group during the Reporting Period. As the contribution of revenue from this segment declined, the impact of lower-margin business on the Group's revenue was reduced, thereby improving the gross profit margin of the Group.

# Management Discussion and Analysis

The revenue breakdown by business segments is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Revenue from:</b>		
Digital payment solutions related business	<b>522,279</b>	1,008,159
Optical product retail and, franchise and license management	<b>191,385</b>	174,209
E-commerce	<b>108,680</b>	59,587
Financing services and money lending	<b>17,027</b>	11,507
<b>Total</b>	<b>839,371</b>	1,253,462

The revenue breakdown by geographical location, which is determined by the location of operation, is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
<b>Revenue from:</b>		
The PRC (exclude Hong Kong)	<b>630,959</b>	1,079,142
Malaysia	<b>191,385</b>	174,209
Hong Kong	<b>17,027</b>	111
<b>Total</b>	<b>839,371</b>	1,253,462

## 1. Digital payment solutions related business

Revenue from the business segment of digital payment solutions related business amounted to approximately RMB522.3 million for the year ended 31 December 2025, representing a decrease of approximately RMB485.9 million or approximately 48.2% as compared to the same period in 2024.

The decline in revenue from digital payment solutions was mainly due to a reduction in the customer base, stemming from heightened market competition in the PRC. This intensified competition during the Reporting Period exerted downward pressure on both pricing and profit margins throughout the sector.

# Management Discussion and Analysis

## 2. Optical product retail, franchise and license management

Revenue from the business segment of optical product retail, franchise and license management amounted to approximately RMB191.4 million for the year end ended 31 December 2025, representing an increase of approximately RMB17.2 million or approximately 9.9% as compared to the same period in 2024.

During the Reporting Period, the optical product retail, franchise, and license management operations remained stable. The modest revenue growth was primarily attributable to revenue generated franchise and license management as well as the retail customers due to marketing boost of sales with more events and road show being organized for optical product retail business in Malaysia.

## 3. E-commerce

Revenue from the business segment of e-commerce amounted to approximately RMB108.7 million for the year end ended 31 December 2025, representing an increase of approximately RMB49.1 million or approximately 82.4% as compared to the same period in 2024.

Following the introduction of the welfare card, customer numbers rose beginning in the second half of 2024, resulting in notable revenue growth in 2025.

## 4. Financing services and money lending

Revenue from the business segment of financing services and money lending amounted to approximately RMB17.0 million for the year end ended 31 December 2025, representing a decrease of approximately RMB5.5 million or approximately 47.8% as compared to the same period in 2024.

During the Reporting Period, the Group expanded its financing services and money lending business as a result of proceeds from the subscription under specific mandated in relation to the announcements of the Company dated 11 December 2024 and 12 February 2025, resulting in a consistent increase in revenue.

## Other income

The Group recorded an other income of approximately RMB11.8 million during the Reporting Period (Corresponding Period: approximately RMB8.1 million). The increase was mainly due to gain on debt purchase, interest income from convertible bonds and other receivables recognised in the Reporting Period (Corresponding Period: nil).

# Management Discussion and Analysis

## Other gains, net

The Group's Other gains, net was approximately RMB6.0 million during the Reporting Period (Corresponding Period: approximately RMB7.5 million). The decrease was attributable to the net effect of gain on disposal of subsidiaries, loss on disposal of financial assets at fair value through profit or loss ("FVTPL") and fair value changes on financial assets at FVTPL were recognised during the Reporting Period.

## Selling and distribution costs

The Group's selling and distribution costs was approximately RMB103.5 million during the Reporting Period (Corresponding Period: approximately RMB107.4 million). As compared to the Corresponding Period, the Group's selling and distribution costs was increased by approximately RMB3.9 million, primarily due to the decrease in delivery costs as a result of the significant decrease in revenue in digital payment solutions related business.

## Administrative expenses

The Group's administrative expenses was approximately RMB109.2 million during the Reporting Period (Corresponding Period: approximately RMB72.5 million). As compared to the Corresponding Period, the Group's administrative expenses was increased by approximately RMB36.7 million, primarily due to the extensive deployment in financial technology related business by engaging external consultants in business advisory, developing technology and IT application, increasing the headcount and renting office & venue for business development, etc.

## Impairment on goodwill

For the Corresponding Period, the Group experienced an impairment loss on goodwill of approximately RMB37.6 million (Reporting Period: nil). The impairment loss on goodwill was mainly arising from Positive Oasis Limited and its subsidiaries (the "**Positive Oasis Group**") and Create Tune Development Limited and its subsidiaries (the "**Create Tune Group**") as a result of unsatisfactory financial performance of their business in the Corresponding Period.

## Impairment on intangible assets

For the Corresponding Period, the Group experienced an impairment on intangible assets of approximately RMB55.2 million (Reporting Period: nil). The impairment on intangible assets was associated with an intangible assets linked to a credit facility contract provided by an independent third party to support the business operations of the Positive Oasis Group which was expired on 31 December 2024.

# Management Discussion and Analysis

## **Impairment on investment in an associate**

The Group recognised an impairment on investment in an associate of approximately RMB26.2 million (Corresponding Period: RMB41.8 million). During the Reporting Period, the Group performed impairment assessment on the Group's investment in an associate in relation to those investments that have impairment indicators, after taking into account the financial performance and financial position of the associate and the unfavorable business outlook of the associate.

## **Finance costs**

The Group's finance costs was approximately RMB2.2 million during the Reporting Period (Corresponding Period: approximately RMB4.3 million). The decrease in finance costs mainly due to the decrease in interest on interest-bearing borrowings.

## **Income tax expense**

The Group recorded an income tax expense of approximately RMB6.2 million for the Reporting Period (Corresponding Period: income tax credit of approximately RMB8.3 million) which was mainly due to approximately RMB15.7 million of deferred tax credit was recognised for amortisation allowance in excess of related intangible assets in the Corresponding Period.

## **Loss for the year**

The Group's loss for the year was approximately RMB90.4 million during the Reporting Period (Corresponding Period: approximately RMB142.5 million). The Group's loss for the year was decreased by approximately RMB52.1 million.

# Management Discussion and Analysis

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

### Financial resources

The Group generally finances its operations with internally generated funds, facilities and fund raised from issuing shares. As at 31 December 2025, the Group's bank balances and cash (excluding fixed deposits with licensed banks) amounted to approximately RMB98.1 million (31 December 2024: approximately RMB54.2 million). As at 31 December 2025, approximately 29.7% (31 December 2024: approximately 13.9%) was denominated in RMB, approximately 25.9% (31 December 2024: approximately 64.9%) was denominated in Malaysian Ringgit ("RM"), approximately 42.8% (31 December 2024: approximately 21.1%) was denominated in Hong Kong dollar ("HK\$") and approximately 1.5% (31 December 2024: approximately 0.1%) was denominated in United States dollar ("USD").

### Banking facilities and lease facilities

As at 31 December 2025, the Group had interest-bearing borrowings of approximately RMB25.0 million (31 December 2024: approximately RMB17.3 million). The Group's interest-bearing borrowings carried weighted average effective interest rates of approximately 3.71% (31 December 2024: approximately 3.94%) per annum. The carrying amounts of the interest-bearing borrowings was denominated in RMB (31 December 2024: denominated in RMB).

The Group's lease liabilities primarily represented payment obligations under the tenancy agreements of the Group had entered into in respect of meeting venue and office, outlets for its self-owned retail stores, leasehold improvements and motor vehicles under hire purchase. The total lease liabilities as at 31 December 2025 was approximately RMB16.0 million (31 December 2024: approximately RMB25.8 million), which all were denominated in RM. The weighted average effective interest rate for the lease liabilities of the Group as at 31 December 2025 was approximately 4.44% (31 December 2024: approximately 3.41%) per annum.

### Capital structure

As at 31 December 2025, the Group's total equity and liabilities amounted to approximately RMB804.9 million and approximately RMB152.2 million respectively (31 December 2024: approximately RMB624.5 million and approximately RMB149.7 million respectively).

### Gearing ratio

The Group's gearing ratio was approximately 0.05 times (31 December 2024: approximately 0.07 times) and remains low. Calculated by using the debt divided by total equity as of the end of the year. Debt is calculated as total bank borrowings and lease liabilities.

# Management Discussion and Analysis

## Current ratio

The Group's current ratio was approximately 5.1 times (31 December 2024: approximately 3.8 times) and remained low. Current ratio is calculated based on the total current assets divided by the total current liabilities as of the end of the year.

## Pledge of assets

As at 31 December 2025, fixed deposits with licensed banks of approximately RMB2.6 million (31 December 2024: approximately RMB2.4 million) are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group as at 31 December 2025.

## Capital commitments

On 28 October 2025, the Group has entered a tenancy agreement with One Pacific Place Limited in renting of an office premise in Pacific Place for a monthly rent of HK\$383,000 with effective from 1 January 2026 for a term of three years.

Saved as disclosed in this report, the Group did not have any material commitments as at 31 December 2025 (31 December 2024: Nil).

## Contingent liabilities

As at 31 December 2025, the Group did not have any significant contingent liabilities (31 December 2024: Nil).

## Employees and remuneration policies

It is crucial for the Group to attract, motivate and retain qualified employees. The Group's staff costs have been and will continue to be one of the major components affecting its results of operations. As at 31 December 2025, the Group had a total of 267 employees (31 December 2024: 363 employees) among whom 47 (31 December 2024: 72) were based in the PRC, 206 (31 December 2024: 288) were based in Malaysia, 14 (31 December 2024: 3) were based in Hong Kong.

## Foreign currency exposure

The majority of assets and liabilities of the Group are denominated in RMB, RM, USD and HK\$, there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities which are denominated in a currency other than RMB, RM, USD and HK\$, which is the functional currency of the major operating companies within the Group. During the Reporting Period, the Group did not hedge its foreign currency exposure. The Group regularly monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

# Management Discussion and Analysis

## Significant investment held

As at 31 December 2025, the Group did not hold any significant investments (31 December 2024: Nil).

## Material acquisitions or disposals

### Subscription of preferred shares of a stablecoin-based payment platform Kun

On 23 July 2025, the Group entered into the Share Purchase Agreement with KUN International Group Limited (“**Kun**”), Kun and its subsidiaries, and other investors, which are all independent third parties, Kun has conditionally agreed to allot and issue and the Group has conditionally agreed to subscribe for 750,000 preferred shares of Kun (the “**Preferred Shares**”) at the total Consideration of US\$6,000,000 (equivalent to approximately RMB42,377,000) (the “**Subscription**”). The 750,000 Preferred Shares represent approximately 5.27% of the total issued share capital of Kun immediately following the completion of issue and subscription of the Preferred Shares. The Subscription was completed on 5 August 2025. For details, please refer to the announcements dated 23 July 2025 and 18 March 2026.

As at 31 December 2025, the Group held approximately 5.1% of the total issued share capital of Kun. Its fair value was approximately RMB42,180,000 and recognised as financial assets at fair value through other comprehensive income in the consolidated statement of financial position which was less than 5% of the total assets of the Group as at 31 December 2025.

### Disposal of the equity interest of Malaysia’s subsidiaries of the Group

On 25 August 2025, the Group entered into the agreement with Equitic Dynamic Core PLT (the “**Purchaser**”), an independent third party, which the Group agreed to sell all the issued shares (the “**Sale Shares**”) of 24 subsidiaries held by the Group (the “**Disposed Subsidiaries**”), for a total cash consideration of RM22,000,000 (equivalent to approximately RMB37,400,000) (the “**Agreement**”). On 14 October 2025, the Group entered into a supplemental agreement to the Agreement with the Purchaser to revise the terms under the Agreement, including the total consideration for the Sale Shares was revised from RM22,000,000 to RM12,095,000 and the total number of the Disposed Subsidiaries was be adjusted from 24 to 13 (the “**Disposal**”). The Disposal was completed on 31 December 2025. The For details, please refer to the announcements dated 25 August 2025 and 14 October 2025.

Save as disclosed in this report, the Group did not have any material acquisition or disposals of subsidiaries or associated companies during the Reporting Period.

# Management Discussion and Analysis

## DIVIDENDS

The Board did not recommend to declare any final dividend for the Reporting Period (2024: Nil).

## EVENTS AFTER THE REPORTING PERIOD

There was no significant subsequent event undertaken by the Group subsequent to 31 December 2025 and up to the date of this report.

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Due to the significant amount that might involve in the digital payment solutions related business, the Group might be subject to a material credit risk. If there is any delay or default in payment in the account receivable from the customer, the Group's profitability, financial condition and results of operations may be materially and adversely affected. However, the Group has implemented measure to mitigate the credit and default risk in relation to the digital payment solutions related business, including but not limited to background check of the prospective customer and shorten credit period to customer.

The Group does not enter into long-term supply agreements with its suppliers, therefore the Group cannot assure the suppliers will continue to supply products on terms acceptable to the Group or that the Group will be able to establish new or extend current supplier relationships to ensure a steady supply in a timely and cost-efficient manner. If the relationships with its major suppliers are terminated, interrupted, or modified in any way adverse to the Group, the Group's business, financial condition and results of operations could be adversely affected.

Further, the Group also does not enter into long-term written contract with its customers. The Group sells products to its customers on an order-by-order basis according to the purchase orders placed by the customers from time to time. The customers are not subject to any regular purchase commitment. Without a regular purchase commitment, it is difficult for the Group to make realistic forecast of future order quantities and revenue so as to plan for efficient and optimal resource allocation. There is no guarantee that the Group's customers will continue to place orders with us on a consistent basis in terms of quantities, pricing and time intervals. The Group's profitability, results of operations and financial condition may therefore be affected.

# Management Discussion and Analysis

## OUTLOOK AND FUTURE PROSPECTS

The management will continue to monitor and implement its business strategies. The following are the Group's business strategies for upcoming 2026:

- Further develop the Group's insurance and financial technology related business;
- Continue to offer customers with a diversified variety of products and series of ancillary services that are conducive to the Group's digital payment solutions related business in the PRC;
- Identify suitable acquisition and/or investment targets, particular to those related to the digital payment solutions related business, for potential business expansion and development that are complementary to the Group's growth strategies;
- Continue to promote recognition of the Group's 9 retail brands and to further develop and market the Group's own brands optical products;
- Enhance the Group's production capabilities with regards to customized lenses; and
- Enhance the Group's information technology systems and enhance its operational efficiency.

# Management Discussion and Analysis

## USE OF PROCEEDS

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 15 April 2020 (the “**Listing**”) with a total of 500,000,000 offer shares issued based on the final offer price of HK\$1.00 per offer share, the aggregate net proceeds, after deducting the related underwriting fee, incentive and estimated expenses paid and payable by the Company in relation to the Listing, received by the Company were approximately HK\$91.1 million or approximately RM50.3 million (based on exchange rate of RM0.5517:HK\$1). There was no change in the intended use of net proceeds as previously disclosed in the prospectus of the Company dated 28 March 2020 (the “**Prospectus**”). As at 31 December 2025, the net proceeds had been utilised as follows:

	Intended use of net proceeds	Amount unutilised as at 31 December 2024	Amount utilised during the year ended 31 December 2025	Amount unutilised as at 31 December 2025	Expected time frame for utilisation
	RM million	RM million	RM million	RM million	(Note 2)
Set up 36 self-owned retail stores (Note 1)	28.1	22.1	1.6	20.5	31 March 2027
Upgrade and renovate 25 self-owned retail stores	5.1	0.7	0.7	–	Fully utilised
Promote recognition of the Group’s 11 retail brands and to further market the Group’s Own Brands optical products	4.7	–	–	–	Fully utilised
Develop optical lab for the production of lenses	5.5	5.5	–	5.5	31 March 2027
Upgrade the Group’s information technology systems and acquire an RMS and upgrade its POS systems	4.3	2.0	0.6	1.4	31 March 2027
General working capital	2.6	–	–	–	Fully utilised
<b>Total</b>	<b>50.3</b>	<b>30.3</b>	<b>2.9</b>	<b>27.4</b>	

# Management Discussion and Analysis

## Notes:

1. In view of the uncertainty of the current market condition, there was a delay in the time frame for the opening of the retail stores at this point in time. For the Reporting Period, the Group has not set up retail stores, the costs incurred related to the retail stores newly set up before 2025.
2. In view of the uncertainty of the current market condition, there has been a delay in the utilisation of the net proceeds than the planned schedule of utilisation as disclosed in the Prospectus. Nevertheless, the Group intends to continue to apply the unutilised net proceeds in accordance with the section headed “Future Plan and Use of Proceeds” in the Prospectus.
3. As at the date of this report, the unutilised net proceeds from the Listing were placed in interest-bearing deposits.

As disclosed above, the actual application of the net proceeds was slower than expected and such delay was mainly due to the current market condition, which has caused obstacles, closures and movement restrictions to the retail industry to a very large extent. The Group strives to minimise the impact on its operation caused thereby and has adopted a prudent approach for utilising the net proceeds effectively and efficiently for the long-term benefit and development of the Group, which is in the interest of the shareholders and the Group.

Please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus for details.

# Management Discussion and Analysis

## USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

(A) References are made to the announcements of the Company dated 16 September 2024 and 3 October 2024, respectively in related to the allotment and issue of 155,230,000 new shares of the Company to not less than six placees at the placing price of HK\$0.53 per placing share (the “First Placing”).

The net proceeds from the First Placing were approximately HK\$81.33 million. As at 31 December 2025, the net proceeds from the First Placing had been applied as follows:

	Intended use of net proceeds HK\$'000	Amount unutilised as at 31 December 2024 HK\$'000	Amount utilised during the year ended 31 December 2025 HK\$'000	Amount unutilised as at 31 December 2025 HK\$'000 (Note)
Expansion and development of the Group's insurance and financial technology related business	70,000	68,000	68,000	–
General working capital and general corporate purposes of the Group	11,330	11,330	11,330	–
<b>Total</b>	<b>81,330</b>	<b>79,330</b>	<b>79,330</b>	<b>–</b>

Note:

The net proceeds from the First Placing has been fully utilised as at 31 December 2025.

# Management Discussion and Analysis

- (B) References are made to the announcements of the Company dated 30 June 2025, 8 July 2025 and 22 July 2025, respectively in related to the allotment and issue of 228,710,000 new shares of the Company to not less than six placees at the placing price of HK\$0.475 per placing share (the “**Second Placing**”).

The net proceeds from the Second Placing were approximately HK\$107.45 million. As at 31 December 2025, the net proceeds from the Second Placing had been applied as follows:

	<b>Intended use of net proceeds</b> HK\$'000	<b>Amount utilised up to 31 December 2025</b> HK\$'000	<b>Amount unutilised as at 31 December 2025</b> HK\$'000 (Note)
Development and investment of the Group’s insurance and financial technology related business	97,990	93,470	4,520
General working capital and general corporate purposes of the Group	9,460	9,460	–
<b>Total</b>	<b>107,450</b>	<b>102,930</b>	<b>4,520</b>

Note:

For the unutilised net proceeds from the Second Placing up to 31 December 2025, the Company intends to use them for the same intended purposes as the announcements. The Company has placed the unutilised net proceeds in interest-bearing deposits. The Board estimated that the time for utilising the remaining unutilised net proceeds by 31 December 2026.

# Management Discussion and Analysis

## USE OF PROCEEDS FROM THE SUBSCRIPTION UNDER SPECIFIC MANDATE

References are made to the announcements of the Company dated 11 December 2024 and 12 February 2025, respectively in related to the allotment and issue of 212,121,212 new shares of the Company to a subscriber or its designated nominee at a subscription price of HK\$0.99 per share. (the “Subscription”).

The net proceeds from the Subscription were approximately HK\$209.88 million. As at 31 December 2025, the net proceeds from the Subscription had been applied as follows:

	Intended use of net proceeds HK\$'000	Amount utilised up to 31 December 2025 HK\$'000	Amount unutilised as at 31 December 2025 HK\$'000 (Note)
Capital injection into the Group's existing financing services business	150,000	150,000	–
Capital injection into the Group's money lending business	50,000	50,000	–
General working capital and general corporate purposes, or selected mergers, acquisitions, and strategic investments should suitable opportunities arise	9,880	9,880	–
<b>Total</b>	<b>209,880</b>	<b>209,880</b>	<b>–</b>

Note:

The net proceeds from the First Placing has been fully utilised as at 31 December 2025.

# Corporate Governance Report

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is dedicated to maintaining and ensuring high standards of corporate governance practices and the corporate governance principles of the Company are adopted in the interest of the Company and the shareholders of the Company (the “**Shareholders**”). The Company’s corporate governance practices are based on the principles and the code provisions as set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) which is released by the Stock Exchange.

In the opinion of the Directors, the Company has complied with the applicable code provisions as set out in the CG Code during the year ended 31 December 2025 (the “**Reporting Period**”) and up to the date of this annual report, except where otherwise stated.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, each of the Directors has confirmed that he/she has complied with the Model Code during the Reporting Period.

## BOARD OF DIRECTORS

### Composition

The Directors who hold office during the Reporting Period and as at the date of this annual report are as follows:

#### *Executive Directors*

Mr. Deng Zhihua (*Chairman and Co-CEO*)

Mr. Chen Yongzhong (*Co-CEO*)

Mr. Mo Mingdong (appointed on 14 February 2025)

Ms. Tang Tsz Yuet (resigned on 20 January 2026)

Mr. Zhou Yue

#### *Independent Non-Executive Directors*

Mr. Yau Tung Shing

Mr. Gao Hongxiang

Ms. Chen Wen

# Corporate Governance Report

The profile of the Directors are set out in the section headed “Profile of Directors and Senior Management” on pages 43 to 47 of this annual report. There is no relationship (including financial, business, family or other material or relevant relationships) amongst members of the Board.

During the Reporting Period, the Board has all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise, and independent non-executive Directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

## Chairman and Chief Executive Officer

The chairman of the Company, Mr. Deng Zihua (“**Mr. Deng**”), is responsible for the overall strategic planning and corporate policies as well as overseeing the operation of the Group. Mr. Deng, as the co-chief executive officer of the Company, is also responsible for the overall management and operation in the People’s Republic of China (the “**PRC**”). Mr. Chen Yongzhong (“**Mr. Chen**”), as the co-chief executive officer of the Company, is responsible for the management and operation of the Group’s insurance and financial technology related business.

The code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Board believes that Mr. Deng has demonstrated suitable management and leadership capabilities along with his thorough understanding of the Group’s business and strategy as from his appointment as the executive director, vesting the roles of both the chairman and the co-chief executive officer of the Company, Mr. Deng can facilitate and ensure a smooth and continuous execution of the Group’s business strategies and boost effectiveness of its operation. Also, Mr. Deng will be fully responsible for the reporting of all the PRC operations and financial matters to both the Board and regulators in Hong Kong while Mr. Chen will be fully responsible for the same on the Group’s insurance and financial technology related business. Therefore, the Board considers that the deviation from the code provision C.2.1 of the CG Code is appropriate in such circumstances. In addition, under the supervision of the Board, which is comprised of four executive directors and three independent non-executive directors, the Board is appropriately structured with a balance of power to provide sufficient checks to protect the interests of the Company and the shareholders of the Company.

# Corporate Governance Report

## Board Meetings and General Meetings

The Board should meet regularly and Board meetings should be held at least four times a year. At least 14 days' notice of all regular Board meetings is given to the Directors who are given the opportunity to include other matters in the agenda of meetings.

Minutes of meetings are kept by the company secretary of the Company (the “**Company Secretary**”) with copies circulated to all Directors or Board Committee members for information and records. Directors who have conflicts of interest in a board resolution have abstained from voting for that resolution.

The Company Secretary is responsible for taking and keeping minutes of all Board meetings and Board Committee meetings. In compliance with the code provision C.5.5 of the CG Code, minutes of Board meetings and meetings of Board Committees were recorded in sufficient detail covering the matters considered by the Board and decisions reached, including any concerns raised by the Directors, or dissenting views expressed. Draft and final versions of minutes of Board meetings were sent to all the Directors for their comment and record respectively, in both cases within a reasonable time after the Board meeting was held.

Every Board member has full access to the services of the Company Secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

During the Reporting Period, the Company held 17 Board meetings, details of the Directors' attendance are disclosed in the below sub-section headed “Attendance Records of Directors and Committee Members”. Various matters and affairs of the Company were discussed during the Board meetings. One annual general meeting and two extraordinary general meetings were held during the Reporting Period.

On 31 March 2026, a Board meeting was held to approve, among others, the results of the Group for the year ended 31 December 2025.

## Appointment, Re-election and Removal of Directors

Each of the Directors (including independent non-executive Directors) has entered into a service contract or letter of appointment with the Company for a term of three years.

# Corporate Governance Report

The articles of association of the Company (the “**Articles of Association**”) provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Shareholders after his/her appointment and shall be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

In accordance with the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least every three years. A retiring Director shall be eligible for re-election.

## **Directors’ Responsibilities for Financial Statements**

The Directors acknowledge their responsibilities for preparing the financial statements of the Company in accordance with statutory requirements and applicable accounting standards. The Directors also acknowledge their responsibilities to ensure that the financial statements of the Company are published in a timely manner.

The Directors, having made appropriate enquiries, considered the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors are 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. Accordingly, the Directors have prepared the financial statements of the Company on a going concern basis.

The reporting responsibilities of the Company’s external auditor on the financial statements of the Company are set out in the section headed “Independent Auditor’s Report” in this annual report.

## **Responsibilities of and Delegation by the Board**

The major powers and functions of the Board include, but are not limited to, convening the general meetings, presenting reports to the general meetings, implementing the resolutions passed at the general meetings, determining the operational plans and investment plans of the Group, determining the annual financial budgets and final accounts of the Group, determining the fundamental management system of the Group, formulating profit distribution plans and loss recovery plans of the Group, and exercising other powers and functions as conferred by the Articles of Association.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective function.

# Corporate Governance Report

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation of the Group and management of the Company are delegated to the management of the Company.

The Board and the management have clearly defined their authorities and responsibilities under various internal control and check and balance mechanisms. The Board does not delegate matters to the Board committee(s), executive Directors or the management to an extent that would significantly hinder or reduce the ability of the Board as a whole to perform its function.

## DIRECTORS' TRAINING

Code provision C.1.4 of the CG Code provides that Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remain informed and relevant.

All Directors are encouraged to participate in continuous professional development activities by ways of attending training and/or reading materials relevant to the Company's business or to the Directors' duties and responsibilities. A summary of the above received by the Directors for the Reporting Period is as follows:

	<b>Attending training and/or reading materials relevant to the business or directors' duties</b>
Mr. Deng Zhihua	✓
Mr. Chen Yongzhong	✓
Mr. Mo Mingdong	✓
Ms. Tang Tsz Yuet	✓
Mr. Zhou Yue	✓
Mr. Yau Tung Shing	✓
Mr. Gao Hongxiang	✓
Ms. Chen Wen	✓

# Corporate Governance Report

## Corporate Governance Functions

The Board recognizes that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

- a. to approve 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 on compliance with legal and regulatory requirements;
- d. to review and monitor the code of conduct and compliance (if any) applicable to the Directors and employees; and
- e. to review the Company's compliance with the code provisions of the CG Code and disclosure in the Corporate Governance Report under the Listing Rules.

## BOARD COMMITTEES

The Board has established three Board committees in accordance with the relevant laws and regulations and the corporate governance practice under the Listing Rules, including the audit committee (the "**Audit Committee**"), remuneration committee (the "**Remuneration Committee**") and nomination committee (the "**Nomination Committee**").

### Audit Committee

The Audit Committee currently consists of three independent non-executive directors, namely Mr. Gao Hongxiang, Mr. Yau Tung Shing and Ms. Chen Wen. Mr. Gao Hongxiang currently serves as the chairman of the Audit Committee.

The terms of reference of the Audit Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee include but are not limited to, make recommendation to the Board on the appointment, re-appointment and removal of the external auditor; and to assist the Board in fulfilling its oversight responsibilities in relation to the Group's financial reporting, internal control procedure, risk management processes and external audit functions, and corporate governance responsibilities. The full version of the terms of reference of the Audit Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "http://www.mogglobal.com".

# Corporate Governance Report

During the Reporting Period, the Audit Committee held 3 meetings. Details of attendance of the meetings of the Audit Committee are set out in the below sub-section headed “Attendance Records of Directors and Committee Members”.

The following matters were dealt with at the said meetings or by way of written resolutions:

- reviewing the consolidated financial statements of the Group for the year ended 31 December 2025, the annual results announcement of the Group for the year ended 31 December 2025 and the audit report prepared by the auditor relating to accounting issues and major findings in course of audit;
- reviewing the interim consolidated financial statements of the Group for the six months ended 30 June 2025, the interim results announcement and report of the Group for the respective interim period prepared by the finance and management team of the Group relating to accounting issues and major findings;
- reviewing the significant audit and accounting issues arising from the external auditor’s audit;
- considering the appointment of the external auditor and their audit fees;
- meeting with the external auditor without the presence of management to discuss issues arising from the audits and any other matters the auditor might wish to raise;
- reviewing the development in accounting standards and the Group’s response, including the preparation for adoption of International Financial Reporting Standards; and
- reviewing the effectiveness of the internal control and risk management system.

The results for the Reporting Period have been reviewed by the Audit Committee before submission to the Board for approval.

# Corporate Governance Report

## Nomination Committee

The Nomination Committee currently consists of two independent non-executive Directors, namely Mr. Gao Hongxiang and Ms. Chen Wen and one executive Director, namely Mr. Deng Zhihua. Mr. Deng Zhihua currently serves as the chairman of the Nomination Committee.

The terms of reference of the Nomination Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Nomination Committee include but are not limited to (i) review the structure, size and composition (including skills, knowledge and experience) of the Board on a regular basis (at least annually) and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; (iii) to assess the independence of independent non-executive directors and (iv) to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of directors and succession planning for directors in particular the chairman and the chief executive officer. The full version of the terms of reference of the Nomination Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "http://www.mogglobal.com".

During the Reporting Period, the Nomination Committee held 3 meetings. Details of attendance of the meetings of the Nomination Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meeting or by way of written resolutions:

- to assess the independence of the independent non-executive Directors;
- to select and recommend candidates of Directors;
- to consider the re-election of Directors; and
- to review the structure, size and composition (including the skills, knowledge and experience) of the Board.

No member took part in voting on his/her re-election of Director at the meeting.

# Corporate Governance Report

## Remuneration Committee

The Remuneration Committee currently consists of two independent non-executive Directors, namely, Mr. Gao Hongxiang and Mr. Yau Tung Shing and one executive Director, namely, Mr. Deng Zhihua. Mr. Gao Hongxiang currently serves as the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are in compliance with the CG Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Remuneration Committee include but are not limited to (i) making recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing such policy; (ii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iii) making recommendations to the Board on the remuneration of non-executive Directors; (iv) reviewing and approving the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (v) ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration. The full version of the terms of reference of the Remuneration Committee is available on the Stock Exchange's website at "www.hkexnews.hk" and the Company's website at "http://www.mogglobal.com".

During the Reporting Period, the Remuneration Committee held 3 meetings. Details of attendance of the meetings of the Remuneration Committee are set out in the below sub-section headed "Attendance Records of Directors and Committee Members".

The following matters were dealt with at the said meeting or by way of written resolutions:

- to review and discuss the remuneration packages for the Directors and senior management of the Company; and
- to consider and approve the remuneration packages for the proposed Directors.

No member took part in voting on his/her own remuneration at the meeting.

# Corporate Governance Report

## Attendance Records of Directors and Committee Members

The attendance records of each Director at the Board and Board Committee meetings of the Company held during the Reporting Period are set out in the table below:

	Board	Meeting attended			General meeting
		Audit Committee	Remuneration Committee	Nomination Committee	
Number of meetings held	17	3	3	3	3
<i>Executive Directors</i>					
Mr. Deng Zhihua	17/17	N/A	3/3	3/3	3/3
Mr. Chen Yongzhong	17/17	N/A	N/A	N/A	3/3
Mr. Mo Mingdong <sup>1</sup>	16/16	N/A	N/A	N/A	2/2
Ms. Tang Tsz Yuet	17/17	N/A	N/A	N/A	3/3
Mr. Zhou Yue	17/17	N/A	N/A	N/A	3/3
<i>Independent Non-executive Directors</i>					
Mr. Yau Tung Shing <sup>2</sup>	17/17	3/3	3/3	3/3	3/3
Mr. Gao Hongxiang	17/17	3/3	3/3	3/3	3/3
Ms. Chen Wen <sup>3</sup>	17/17	3/3	N/A	-/-	3/3

Notes:

- (1) appointed as the executive Director on 14 February 2025.
- (2) retired as the member of the Nomination Committee on 30 June 2025.
- (3) appointed as the member of the Nomination Committee on 30 June 2025.

# Corporate Governance Report

## BOARD DIVERSITY POLICY

The Group adopted a board diversity policy (the “**Board Diversity Policy**”) on 23 March 2020. A summary of this policy are disclosed as below:

The purpose of the Board Diversity Policy is to achieve diversity of the Board. The Company recognises and seizes the benefits of having a diverse Board to enhance the quality of its performance. With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board’s composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on merit, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee shall review the Board Diversity Policy and make recommendations to the Board on amendments to the Board Diversity policy (if any) as appropriate, which will include an assessment of the implementation and effectiveness of the Board Diversity policy on an annual basis in accordance with code provision B.1.3 of the CG Code.

As of the date of this annual report, the Company had a total of seven Directors. The Directors have a balanced mix of experiences, including overall management and strategic development, quality assurance and control, business and risk management, and finance and accounting experiences in addition to corporate legal affair experiences.

Further, the Board currently has one female Director and as such has achieved gender diversity in respect of the Board. We will continue to strive to enhance female representation and achieve an appropriate balance of gender diversity with reference to the Shareholders’ expectation and international and local recommended best practices. We will also ensure that there is gender diversity when recruiting staff at mid to senior level and we have committed to providing career development opportunities for female staff so that we have a pipeline of female senior management and potential successors to our Board.

# Corporate Governance Report

## GENDER DIVERSITY

As at 31 December 2025, the Group's workforce (including senior management) was approximately 62.9% female and 37.1% male. The table below summarises the share of male and female at different position levels across the Group as at 31 December 2025.

Gender	Independent			Managers	Employees	Total
	Executive Directors	Non-executive Directors	non-executive Directors			
Male	4	–	2	35	61	102
Female	1	–	1	30	141	173
Total	5	–	3	65	202	275

## NOMINATION POLICY

The Company adopted a policy for nomination on 23 March 2020, pursuant to which, the Nomination Committee shall assist the Board in making recommendations to the Board on the appointment of directors; and succession planning for directors.

### 1. Selection criteria

- 1.1 The Nomination Committee shall consider the following factors, which are not exhaustive and the Board has discretion if it considers appropriate, in assessing the suitability of the proposed candidate regarding the appointment of directors or re-appointment of any existing Board member(s):
  - (a) Reputation for integrity;
  - (b) Accomplishment, experience and reputation in the business and industry;
  - (c) Commitment in respect of sufficient time, interest and attention to the business of the Company and its subsidiaries;
  - (d) Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;

# Corporate Governance Report

- (e) Compliance with the criteria of independence, in case for the appointment of an independent non-executive director, as prescribed under Rule 3.13 of the Listing Rules; and
- (f) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time as appropriate.

1.2 The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles of Association and other applicable rules and regulations.

## 2. Nomination Procedures

- 2.1 The proposed candidates will be asked to submit the necessary personal information to the Nomination Committee.
- 2.2 The Company Secretary shall convene a meeting, and invite nominations of candidates from Board members (if any), for consideration by the Nomination Committee. The Nomination Committee may also nominate candidates for its consideration.
- 2.3 For the appointment of any proposed candidate to the Board, the Nomination Committee shall undertake adequate due diligence in respect of such individual and make recommendations for the Board's consideration and approval.
- 2.4 For the re-appointment of any existing member(s) of the Board, the Nomination Committee shall make recommendations to the Board for its consideration and recommendation, for the proposed candidates to stand for re-election at a general meeting.
- 2.5 If a shareholder wants to propose a candidate to the Board for consideration, he/she shall refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" in the section "Corporate Governance Report" of this annual report.
- 2.6 The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at a general meeting.

# Corporate Governance Report

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board has undertaken the overall responsibility for overseeing the Group's risk management and internal control systems on an on-going basis and reviewing their effectiveness at least annually in order to safeguard the interests of the shareholders and the assets of the Group.

The Board acknowledges its responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives and ensuring that the Group has established and maintained appropriate and effective risk management and internal control systems. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated to the Audit Committee to review the effectiveness of the risk management and internal controls of the Group. Based on its review, the Audit Committee advises the Board on the effectiveness of the Group's risk management and internal control systems, including the identification and monitoring of the risks, the adequacy of resources, staff qualifications and experience, training programmes and the Company's accounting and financial reporting functions. The management has also been delegated to design, implement and maintain the appropriate and effective risk management and internal control systems of the Group.

To further strengthen the risk management and internal control of the Group, the Company has appointed external advisers to undertake the internal audit function and perform the ongoing monitoring of the internal control systems of the Group. The external advisers evaluate the Group's risk management and internal control systems by reviewing the material controls, including financial, operation and compliance. The rotation basis would be applied to operations with similar risk associated so as to enhance the efficiency and effectiveness of the internal audit function. Review results and the recommendations in the form of written report are submitted to the Audit Committee for discussion and review. Follow up actions will be taken up by the management of the Group to ensure all significant control activities are properly in place within the Group and findings previously identified have been properly resolved.

# Corporate Governance Report

The Company is currently of the view that there is no immediate need to set up an internal audit function within the Group in light of the size, nature and complexity of the Group's business. The situation will be reviewed from time to time. The Company has conducted a review on the effectiveness and efficiency of the Groups risk management and internal control systems during the Reporting Period and the Audit Committee has confirmed that there is no significant deficiency and weakness on the internal control system has been identified by the external advisers. The Board satisfied and confirmed that the Group's risk management and internal control systems were effective and adequate.

## PROCEDURES AND INTERNAL CONTROLS FOR THE HANDLING AND DISSEMINATION OF INSIDE INFORMATION

The Group strictly follows the requirements of the Securities and Futures Ordinance of Hong Kong (the "SFO") and the Listing Rules and ensures that inside information is disclosed to the public as soon as reasonably practicable unless the information falls within any of the safe harbours of the SFO. Before inside information is fully disclose to the public, such information is kept strictly confidential. In addition, the Group adopted the policy of disclosing relevant information only to appropriate staff within the Group and established written guidelines regarding employees' securities transactions on terms no less exacting than the standard set out on the Model Code for the compliance by its relevant staff in respect of their dealings in the Company's securities.

## AUDITOR'S REMUNERATION

The remunerations paid or payable to the external auditors of the Company Suya WWC CPA Limited ("Suya") and the component auditors of the Company Grant Thornton Malaysia PLT ("GT"), in respect of audit and non-audit services provided to the Group for the Reporting Period are set out below.

	RMB'000
Audit service	1,098
Non-audit services (note)	290
Total	1,388

Note: Non-audit services comprise of tax compliance services and agreed-upon procedures during the Reporting Period.

# Corporate Governance Report

## SHAREHOLDERS' RIGHTS

The Company encourages the Shareholders to attend the general meetings of the Company. To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at general meeting, including the election of individual Director(s). All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

A shareholder may send an enquiry to the principal place of business of the Company at Unit 1102, 11/F, 29 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong for the attention of the Board in written form, which shall state the nature of the enquiry and the reason for making the enquiry.

### **The Procedures for Shareholders to Convene an Extraordinary General Meeting ("EGM") and for Putting Forward Proposals at General Meeting**

Pursuant to Article 58 of Articles of Association, extraordinary general meeting of the Company shall be convened on the requisition of one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the paid-up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the Company Secretary at the Company's head office or principal place of business in Hong Kong, for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition and signed by the requisitionist(s) (the "**Requisitionists**").

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 (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) of the Company.

### **Procedures for putting forward proposals at Shareholders' meeting**

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law. However, Shareholders may request the Company to convene an extraordinary general meeting following the procedures as set out above.

# Corporate Governance Report

## **The Procedures for Shareholders to Propose a Person for Election as a Director of the Company**

Article 85 of the Articles of Association provides that no person, other than a retiring director of the Company, shall, unless recommended by the board of directors of the Company for election, be eligible for election to the office of director of the Company (the “**Director**”) at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the head office or at the registration office. The period for lodging the notices as required under the Articles of Association will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days.

Accordingly, if a shareholder wishes to nominate a person to stand for election as a director of the Company at the general meeting, the following documents must be validly served at the Company’s head office in Hong Kong or the Branch Share Registration and Transfer Office, namely (1) his/her notice of intention to propose a resolution at the general meeting; (2) a notice signed by the nominated candidate of his/her willingness to be elected; (3) the nominated candidate’s information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate’s written consent to the publication of his/her personal data, contact address and contact telephone number.

## **COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS**

The Company considers that effective communication with the Shareholders is essential for enhancing investor relations and understanding of the Group’s business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information, which will enable Shareholders and investors to make the informed investment decisions.

# Corporate Governance Report

A Shareholder's communication policy was adopted by the Board aiming to provide to the Shareholders and potential investors with ready and timely access to balanced and understandable information of the Company. Extensive information about the Company's activities is provided in its interim report and annual report, which are sent to Shareholders in due course. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet Shareholders and answer their enquiries. The notice of the annual general meeting is distributed to all Shareholders at least 21 days before the meeting. Separate resolutions are proposed at general meetings on each separate issue and voting of which is taken by poll pursuant to the Listing Rules. Results of the poll are published on both the website of the Stock Exchange and the Company. All corporate communication with Shareholders will be posted on the website of the Company for Shareholders' information.

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

## **BOARD INDEPENDENCE EVALUATION MECHANISM**

The Company has adopted the board independence evaluation mechanism. The details are as follows:

### **Objective**

Continuing improvement and development of the Board and its committee processes and procedures through Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development.

The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

This mechanism is designed to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgment to better safeguard Shareholders' interests.

# Corporate Governance Report

## Mechanism

- a) Nomination Committee is established with clear terms of reference to identify suitable candidates, including independent non-executive Directors, for appointment as Directors.
- b) Nomination policy is in place with details of the process and criteria of identifying, selecting, recommending, cultivating and integrating new directorship.
- c) For independent non-executive Directors (“**INED(s)**”):
  - i) Every INED is required to confirm in writing to the Company his/her independence upon his/her appointment as Director with reference to such criteria as stipulated in the nomination policy as well as the Listing Rules;
  - ii) Each INED has to declare his/her past or present financial or other interests in the Group’s business as soon as practicable, or his/her connection with any of the Company’s connected persons (as defined in the Listing Rules), if any; and
  - iii) Each INED is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.
- d) The Nomination Committee will assess annually the independence of all INEDs and to affirm if each of them still satisfies the criteria of independence as set out in the Listing Rules and is free from any relationships and circumstances which are likely to affect, or could appear to affect, their independent judgement. Every Nomination Committee member should abstain from assessing his/her own independence.
- e) Where the Board proposes a resolution to elect an individual as an INED at the general meeting, it will set out in the circular to Shareholders the reasons it believes he/she should be elected and the reasons it considers him/her to be independent.
- f) A mechanism is in place for Directors to seek independent professional advice in performing their duties at the Company’s expense.
- g) Directors are encouraged to access and consult with the Company’s senior management independently, if necessary.
- h) The Board Independence Evaluation may take in the form of a questionnaire to all Directors individually and may be supplemented by individual interview with each Director, if necessary, and/or in any other manners which the Board considers fit and necessary.

# Corporate Governance Report

- i) The Board Independence Evaluation report will be presented to the Board which will collectively discuss the results and the action plan for improvement, if appropriate.
- j) The results of the Board Independence Evaluation or a summary of the findings of the said evaluation will be disclosed in the Corporate Governance Report contained in the annual report of the Company or on the Company's website for accountability and transparency purposes.
- k) The aforesaid Board Independence Evaluation will be regarded as an ongoing exercise of the Company while the Company may seek assistance from external consultant if an external evaluation on the same subject is needed.

During the year ended 31 December 2025 and as at the date of this annual report, the Board Independence Evaluation had been conducted by way of completing a questionnaire by all Directors. The results of the Board Independence Evaluation are summarised as follows:

1. The Board as a whole possessed the skills and range of experience needed to adequately fulfill its fiduciary responsibilities, more reliably hold management to account, and better safeguard Shareholders' interests.
2. Board meetings were conducted in a manner that allowed open communication, meaningful participation (including in-depth discussion and resolutions of issues).
3. All INEDs brought independent judgement to bear on the Board's deliberations.
4. All INEDs have actively participated in all Board meetings and Board Committees' meetings; and raised governance and ethical issues to the Board.

## WHISTLEBLOWING POLICY

In compliance with code provision D.2.6 of the CG Code, the Company has adopted a whistleblowing policy. It provides employees and the relevant third parties who deal with the Group (e.g. customers, contractors and suppliers) with guidance and reporting channels on reporting any suspected improprieties in any matters related to the Group directly addressed to the designated person. All reported matters will be investigated independently and, in the meantime, all information received from a whistleblower and his/her identity will be kept confidential. The Audit Committee will regularly review the whistleblowing policy to improve its effectiveness and employee confidence in the process and to encourage a "speak up" culture across the Company.

# Corporate Governance Report

## ANTI-CORRUPTION POLICY

In compliance with the code provision D.2.7 of the CG Code, the Company has adopted an anti-corruption policy. It outlines guidelines and the minimum standards of conducts, all applicable laws and regulations in relation to anti-corruption and anti-bribery, the responsibilities of employees to resist fraud, to help the Group defend against corrupt practices and to report any reasonably suspected case of fraud and corruption or any attempts thereof to the management or through an appropriate reporting channel. The Group would not tolerate any forms of fraud and corruption among all employees and those acting in an agency or fiduciary capacity on behalf of the Group, and in its business dealing with third parties. The Board will review the anti-corruption policy to ensure its effectiveness and enforce the commitment of the Group to the prevention, deterrence, detection and investigation of all forms of fraud and corruption.

## DIVIDEND POLICY

The Company does not have a fixed dividend policy, however the Directors expect the Group's dividend payout ratio will be not less than 30% of its annual distribution net profit. Notwithstanding the aforesaid, the Board shall have the discretion with regards to any recommendation as to the declaration, amount and means of payment of any dividends and the amount of any actual dividends will depend on the Group's earnings and financial conditions, operating and capital requirements and any other factors deemed relevant. Further, such declaration will also be subject to the applicable laws and regulations including the Companies Act (as revised) of the Cayman Islands, Articles of Association and, other than payment of an interim dividend, the approval of Shareholders.

## COMPANY SECRETARY

Mr. Yu Wan Hei ("**Mr. Yu**") was appointed as the Company Secretary on 5 August 2022. Mr. Yu has confirmed that he received not less than 15 hours of relevant professional training during the Reporting Period. Please refer to the section headed "Profile of Directors and Senior Management" of this annual report for the profile of the Company Secretary.

# Corporate Governance Report

## CONSTITUTIONAL DOCUMENTS

On 27 June 2024, the Articles of Association and the memorandum of association of the Company (the “**Memorandum of Association**”) have been approved in the annual general meeting of the Company. Details of the amendments of the Articles of Association and the Memorandum of Association have been set out in the circular of the Company dated 26 April 2024. The Articles of Association and the Memorandum of Association is available on the Stock Exchange’s website at “[www.hkexnews.hk](http://www.hkexnews.hk)” and the Company’s website at “<http://www.mogglobal.com>”.

## UPDATE ON DIRECTORS’ INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed elsewhere in this annual report, there were no other change to the Directors’ information that are required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# Profile of Directors and Senior Management

## BOARD OF DIRECTORS

### Executive Directors

**Mr. Deng Zhihua (鄧志華先生) (“Mr. Deng”)**, aged 48, was appointed as an executive Director on 28 October 2022. Mr. Deng has been appointed as the chairman of the Board and the co-chief executive officer of the Company with effect from 5 May 2023. He has been appointed as the chairman of the Nomination Committee and a member of the Remuneration Committee with effect from 23 May 2023. Mr. Deng is responsible for the overall strategic planning and corporate policies as well as overseeing the operation of the Group. He is also responsible for the overall management and operation in the People’s Republic of China. Mr. Deng is currently an executive director and a chief executive officer of Jiangxi Mali Intelligence Technology Company Limited\* (江西馬力智能科技有限公司), being a wholly owned subsidiary of the Company. He has extensive experience in corporate operations management. Prior to joining the Group, Mr. Deng served as several senior positions in China United Network Communications Group Co., Ltd (中國聯合網絡通信有限公司) during the period from 1999 to 2007. After 2007, Mr. Deng has participated in several China corporations which mainly engaged in the provision of mobile communications value added services. Mr. Deng has extensive experience in the areas of mobile communications related services.

Mr. Deng obtained a bachelor’s degree in computer science and communication engineering from East China Jiao Tong University (華東交通大學).

**Mr. Chen Yongzhong (陳永忠先生) (“Mr. Chen”)**, aged 57, was appointed as an executive Director on 12 July 2024. Mr. Chen has been appointed as the co-chief executive officer of the Company with effect from the same day. Mr. Chen also holds directorship in several subsidiaries of the Company. Mr. Chen is responsible for the management and operation of the Group’s insurance and financial technology related business. Mr. Chen’s professional background includes substantial experience in the management of insurance-related enterprises. Prior to joining the Group, Mr. Chen held the position of general manager at AnBang Property and Casualty Insurance Co., Ltd. (安邦財產保險股份有限公司) from 2016 to 2019. Additionally, Mr. Chen has been serving as (i) a director of Lubao Technology (Guangdong) Co., Ltd\* (履保科技(廣東)有限公司) since 2019 and (ii) a director of Zhongbao Technology Creation (Zhuhai) Company Limited\* (中保科技創新(珠海)有限公司) (“**Zhongbao Tech**”), an indirect non-wholly owned subsidiary of the Company, since 2021. Both entities are engaged in providing services to insurance companies, insurance intermediaries, and other participants in the insurance industry in China. Furthermore, Mr. Chen also holds approximately 27.8% shareholding in Zhongbao Tech.

Mr. Chen obtained a bachelor’s degree in law from Zhejiang University.

\* For identification purpose only

# Profile of Directors and Senior Management

**Mr. Mo Mingdong (莫銘東先生) (“Mr. Mo”)**, aged 38, was appointed as an executive Director on 14 February 2025. Mr. Mo has extensive experience in corporate management. Prior to joining the Group, Mr. Mo held several key positions, including (i) general manager of the securities sales department of Jiangmen Taishan Huanbei Avenue at Everbright Securities Company Limited\* (光大證券股份有限公司江門台山環北大道證券營業部) from June 2016 to December 2018; (ii) general manager of the securities sales and innovation business department of Jiangmen Xinhui Gangzhou Avenue at Everbright Securities Company Limited\* (光大證券股份有限公司江門新會岡州大道中證券營業部創新業務部) from December 2018 to May 2020; and (iii) president of Shenzhen Tengyue Investment Management Co., Ltd.\* (深圳市騰岳投資管理有限公司) from May 2020 to February 2024. Since February 2024, Mr. Mo has been serving as the chairman of Lefeng (Hainan) Private Equity Fund Management Co., Ltd. (樂風(海南)私募基金管理有限公司). Additionally, Mr. Mo has served as a visiting professor at the MBA Center of Shanghai International Studies University International Business School\* (上海外國語大學國際工商管理學院MBA中心).

Mr. Mo obtained a Bachelor of Commerce (Marketing) from the University of Sydney.

**Mr. Zhou Yue (周月先生) (“Mr. Zhou”)**, aged 40, was appointed as an executive Director on 23 June 2022. He also holds directorship in several subsidiaries of the Company. He has extensive experience in corporate operations management. Prior to joining the Group, Mr. Zhou has been served as an engineer in HannStar Board International Holdings Limited\* (瀚宇博德科技股份(江陰)有限公司), a company principally engaged in manufacturing of printed circuit board for the notebook computer industry worldwide, since February 2008 and is mainly responsible for technology hardware system development and providing strategic advice on the overall business development.

Mr. Zhou obtained a bachelor’s degree in mechanical design manufacturing and automation from Jiangsu University.

**Ms. Tang Tsz Yuet (former name: Tang Fung Chu) (鄧旨鋤女士) (“Ms. Tang”)**, aged 48, was an executive Director from 23 June 2022 to 20 January 2026. She also holds directorship in several subsidiaries of the Company. She has extensive experience in overall corporate management in the tourism industry. Prior to joining the Group, Ms. Tang has been served as the senior manager of International Travel Services Limited (冠威國際旅遊有限公司), a company principally engaged in travel-related business, since 2022 and is mainly responsible for overall business development and strategic planning as well as the operation and management in general.

\* For identification purpose only

# Profile of Directors and Senior Management

## Independent Non-Executive Directors

**Mr. Yau Tung Shing (邱東成先生) (“Mr. Yau”)**, aged 35, was appointed as an independent non-executive Director on 16 August 2022, and is mainly responsible for providing independent opinion and judgement to the Board. Mr. Yau is the member of each of the Audit Committee and the Remuneration Committee. Mr. Yau has extensive experience in corporate finance, mergers and acquisitions and fund-raising exercises in various ventures and projects with a deal portfolio covering private entities and publicly listed companies in Hong Kong and the People’s Republic of China. He is also a licensed person registered under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “SFO”) to carry out Type 6 (advising on corporate finance) regulated activity. Mr. Yau is (i) a responsible officer of Silverbricks Securities Company Limited, a licensed corporation registered under the SFO to carry out Type 1 (dealing in securities), Type 2 (dealing in future contracts) and Type 6 (advising on corporate finance); and (ii) a non-executive director of Wan Leader International Limited (stock code: 8482), whose shares are listed on the GEM of the Stock Exchange since December 2024. Mr. Yau was (i) a licensed representative of RHB Capital Hong Kong Limited, a licensed corporation registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity from April 2018 to December 2018; (ii) a licensed representative of Draco Capital Limited from January 2019 to June 2020; (iii) a licensed representative of DL Securities (HK) Limited, a licensed corporation registered under the SFO to carry out Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities from July 2020 to March 2021; (iv) a responsible officer of DL Securities (HK) Limited from March 2021 to April 2022; and (v) a non-executive director of Pinestone Capital Limited (stock code: 804), whose shares are listed on the Main Board of the Stock Exchange with effect from September 2022 to December 2024.

Mr. Yau obtained his bachelor’s degree in Business Administration (Honours) and the degree of Master of Science in Finance from the City University of Hong Kong.

# Profile of Directors and Senior Management

**Mr. Gao Hongxiang (高鴻翔先生) (“Mr. Gao”)**, aged 56, was appointed as an independent non-executive Director on 13 September 2023, and is mainly responsible for providing independent opinion and judgement to the Board. Mr. Gao is the chairman of the Audit Committee and the Remuneration Committee and member of the Nomination Committee. Mr. Gao has extensive of experience in auditing, accounting and financial management of foreign, private and listed companies. Prior to joining the Group, Mr. Gao was (i) the internal audit specialist of Shanghai SC Johnson Co., Ltd.\* (上海莊臣有限公司); (ii) the accountant and finance manager of Huitong Lianyu Co., Ltd.\* (會通聯運有限公司); (iii) the finance director of Tailing Pharmaceutical (China) Co., Ltd.\* (泰凌醫藥(中國)有限公司); (iv) the finance director of BreadTalk (China); (v) the finance director of Jinmeng Suzhehui Group\* (金萌蘇浙匯集團); and (vi) general manager of Shanghai Dipusi Biotechnology Co., Ltd.\* (上海迪普士生物科技有限公司).

Mr. Gao obtained a bachelor’s degree in auditing from Shanghai University of Finance and Economics and is a member of the Chinese Institute of Certified Public Accountants.

**Ms. Chen Wen (陳文小姐) (“Ms. Chen”)**, aged 53, was appointed as an independent non-executive Director on 5 August 2024, and is mainly responsible for providing independent opinion and judgement to the Board. Ms. Chen is the member of each of the Audit Committee and the Nomination Committee. Prior to joining the Group, Ms. Chen accumulated valuable experience through her tenure at various law firms. From 2006 to 2017, she served as a lawyer at Guangxi Gufang Law Firm\* (廣西古方律師事務所) and has been a full-time lawyer at Guangxi Qixing Law Firm\* (廣西齊興律師事務所) since 2018.

Ms. Chen holds a bachelor’s degree in law from Guangxi University and has a Lawyer’s Licence in the People’s Republic of China.

## Senior Management

**Dato’ Ng Kwang Hua (“Dato’ Frankie Ng”)** is the founder of the Group. He is responsible for the overall strategic planning and corporate policies as well as overseeing the operations in Malaysia. He joined the Group in October 1996. He also holds directorship in several subsidiaries of the Company. From June 2019 to May 2023, Dato’ Frankie Ng was the chairman of the Board and the executive director of the Company. Dato’ Frankie Ng has extensive experience in the eyewear retail industry. Dato’ Frankie Ng is a registered optician in Malaysia. Dato’ Frankie Ng attended high school in Sekolah Menengah Yu Hua Kajang (Yu Hua Kajang High School), Selangor. He was conferred Darjah Indera Mahkota Pahang (D.I.M.P.) which carries the honourary title “Dato” by His Majesty Sultan Haji Ahmad of Pahang Darul Makmur in 2016. Dato’ Frankie Ng is the spouse of Datin Low Lay Choo.

\* For identification purpose only

# Profile of Directors and Senior Management

**Datin Low Lay Choo (“Datin Low”)** is mainly responsible for the overall management and operation in Malaysia. She joined the Group in April 1999. She also holds directorship in several subsidiaries of the Company. From June 2019 to June 2022, Datin Low was the executive director of the Company. From May 2023 to August 2025, Datin Low was the co-chief executive officer of the Company. Datin Low has extensive experience in the eyewear retail industry. Datin Low is a registered optician in Malaysia. Datin Low graduated from Sekolah Menengah Yu Hua Kajang (Yu Hua Kajang High School), Selangor. Datin Low is the spouse of Dato’ Frankie Ng.

**Ms. Qian Jing (錢靜女士) (“Ms. Qian”)** is the chief financial officer of the Group’s subsidiaries in the People’s Republic of China (the “PRC”) and is primarily responsible for overall management of the Group’s strategy and the Group’s corporate development in the PRC, which include but not limited to the Group’s existing digital payment solutions related business in the PRC.

Prior to joining the Group, Ms. Qian served as a financial controller of Dongtai Heng Cai Xin Cailiao Company Limited\* (東台恒彩新材料有限公司), being a company principally engaged in the sales of chemical coatings in the PRC during the period from 2012 to 2022, where she was primarily responsible for overseeing the company’s financial affairs and corporate governance.

**Mr. Yu Wan Hei (余運喜先生) (“Mr. Yu”)** is the company secretary of the Company. Mr. Yu obtained a bachelor degree of Business Administration in Accounting from The Hong Kong University of Science and Technology and a master degree of Science in Accountancy from The Hong Kong Polytechnic University. Mr. Yu is a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants. Mr. Yu has extensive experience in accounting, auditing, corporate finance and company secretarial works.

\* For identification purpose only

# Report of the Directors

The Directors are pleased to present to the shareholders of the Company (the “**Shareholders**”) this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025 (the “**Reporting Period**”).

## **PRINCIPAL ACTIVITIES**

The Company is an investment holding company, and the principal activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements. An analysis of the Group’s revenue and results by principal operating segments is set out in note 4 to the consolidated financial statements.

## **RESULTS AND APPROPRIATIONS**

The results of the Group for the Reporting Period and the financial positions of the Company and the Group as at 31 December 2025 are set out in the consolidated income statement on pages 100 to 217 of this annual report.

The Directors do not recommend the payment of final dividend for the Reporting Period.

## **BUSINESS REVIEW**

A fair review of the business of the Group during the Reporting Period and a discussion on the Group’s future business development are set out in the section headed “Chairman’s Statement” on page 4 and “Management Discussion and Analysis” on pages 5 to 20 of this annual report.

The above discussions form part of this directors’ report.

## **PRINCIPAL RISKS AND UNCERTAINTY**

In addition to the relevant discussion set out in the section headed “Management Discussion and Analysis” on page 14 of this annual report, the principal risks and uncertainty also include the following:

### **Risk associated with financial instruments of the Group**

The financial risk management objectives and policies of the Group are set out in note 41 to the consolidated financial statements.

### **Key sources of estimation uncertainty**

Details of the key sources of estimation uncertainty as at 31 December 2025 are set out in note 2 to the consolidated financial statements.

# Report of the Directors

## **ANALYSIS USING FINANCIAL KEY PERFORMANCE INDICATORS**

The analysis of the Group's performance for the Reporting Period with key financial performance indicators is set out under the paragraphs headed "Financial Review" and "Liquidity, Financial Resources and Capital Structure" in the section headed "Management Discussion and Analysis" of this annual report.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

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

## **RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND EMPLOYEES**

The Group understands the importance of maintaining a good relationship with its employees, customers and suppliers to meet its immediate and long-term business goals. The Group offers comprehensive compensation to its employees and provide on-the-job training to the employees. The employees' compensation is based on their qualification, position, seniority and performance. During the Reporting Period, there was no material and significant dispute between the Group and its employees, customers and suppliers.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

The Group is committed to long-term sustainability of the environment and communities in which it operates. Acting in an environmental responsible manner, the Group endeavors to comply with the laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction.

## **RESERVES**

Details of movements in the reserves of the Company and the Group during the Reporting Period are set out in note 34 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 104 to 105 of this annual report, respectively.

# Report of the Directors

## **MATERIAL INVESTMENT AND ACQUISITION**

Save as disclosed in this annual report, the Group had no material investment and acquisition activities during the Reporting Period.

## **INTEREST-BEARING BORROWING**

Details of the interest-bearing borrowing of the Group as at 31 December 2025 are set out in note 28 to the consolidated financial statements.

## **PROPERTY, PLANT AND EQUIPMENT**

Movements in property, plant and equipment during the Reporting Period and details of the Group's property, plant and equipment are set out in note 17 to the consolidated financial statements.

## **SHARE CAPITAL**

Details of movements during the Reporting Period in the share capital of the Company are set out in note 32 to the consolidated financial statements.

## **EQUITY-LINKED AGREEMENT**

Save as disclosed in this annual report relating to the "Share Schemes", no equity-linked agreements were entered into during the Reporting Period or subsisted at the end of the Reporting Period.

## **PERMITTED INDEMNITY PROVISION**

Pursuant to the articles of association of the Company (the "**Articles of Association**"), every Director shall be entitled to be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto.

The Company has an appropriate insurance cover in respect of potential legal actions against its Directors and officers during the Reporting Period and remained in force as of the date of this annual report. The insurance coverage will be reviewed on a regular basis.

# Report of the Directors

## DIRECTORS

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

### Executive Directors

Mr. Deng Zhihua (*Chairman*)  
Mr. Chen Yongzhong  
Mr. Mo Mingdong (appointed on 14 February 2025)  
Ms. Tang Tsz Yuet (resigned on 20 January 2026)  
Mr. Zhou Yue

### Independent Non-Executive Directors

Mr. Yau Tung Shing  
Mr. Gao Hongxiang  
Ms. Chen Wen

In accordance with Article 84(1) and 84(2) of the Articles of Association, each of Mr. Zhou Yue, Mr. Yau Tung Shing and Mr. Gao Hongxiang shall retire by rotation at the forthcoming annual general meeting of the Company (the “AGM”). Mr. Zhou Yue, Mr. Yau Tung Shing and Mr. Gao Hongxiang being eligible, has offered themselves for re-election at the AGM.

None of the Directors offering themselves for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

# Report of the Directors

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

As at 31 December 2025, none of the Directors or the chief executives of the Company had any interests and/or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

## **ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES**

At no time during the Reporting Period, was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or other body corporate.

## **SHARE SCHEMES**

### **(A) 2020 Share Option Scheme**

The Company has adopted the old share option scheme since 15 April 2020 (the “**2020 Share Option Scheme**”). In light of the amendments to Chapter 17 of the Listing Rules, which took effect on 1 January 2023, the 2020 Share Option Scheme was terminated by the Company on 8 July 2025 upon approved by the shareholders of the Company in the extraordinary general meeting held on 8 July 2025. The 2020 Share Option Scheme is designed to motivate executives and key employees and other persons who make a contribution to the Group and enable the Group to attract and retain individuals with experience and ability and to reward them for their past contributions. The following is a summary of the principal terms of the 2020 Share Option Scheme:

#### **(a) Purpose**

The purpose of the 2020 Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to the Group.

# Report of the Directors

## **(b) Participants**

The participants of the 2020 Share Option Scheme shall be:

- (1) any employee (whether full-time or part-time) of the Company, and any of the subsidiaries;
- (2) any director (including executive and independent non-executive directors) of the Company and any of the subsidiaries; and
- (3) any consultant, advisers of the Company and any of the subsidiaries.

## **(c) Maximum number of shares available for issue**

The maximum number of shares issuable upon exercise of all share options to be granted under the 2020 Share Option Scheme and any other share option schemes of the Company as from its adoption date (i.e. 23 March 2020) (excluding, for this purpose, shares issuable upon exercise of share options which have been granted but which have lapsed in accordance with the terms of the 2020 Share Option Scheme or any other share option schemes of the Company) must not in aggregate exceed 10% of all the shares in issue as at the date of the Listing. The Board may renew this limit at any time to 10% of the shares in issue as of the date of approval by the shareholders in general meeting.

From the beginning of the Reporting Period and up to 8 July 2025, the Company has no outstanding share options under the 2020 Share Option Scheme. Upon termination the 2020 Share Option Scheme, no additional share options can be granted. There were 47,840,000 share options granted under the 2020 Share Option Scheme (details are set out in the Company's announcement dated 30 September 2022), and all of which have exercised during February 2023.

# Report of the Directors

**(d) Maximum entitlement of each participant**

The maximum entitlement of each participant under the 2020 Share Option Scheme in any 12-month period up to and including the date of grant of the share options must not exceed 1% of the total number of shares in issue.

Each grant of share options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates, is subject to approval in advance by the independent non-executive Directors. In addition, any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their associates, resulting in the shares issued and to be granted (including share options exercised, cancelled and outstanding) to such person, in a 12-month period up to and including the date of such grant in excess of 0.1% of the shares in issue and with an aggregate value (based on the closing price of the shares at the date of the grant) in excess of HK\$5 million, is subject to Shareholders' approval in advance in a general meeting of the Company.

**(e) Time of exercise of share options**

The period during which a share option may be exercised is determined by the Board at its discretion, save that such period shall not be longer than 10 years from the date of grant.

**(f) The minimum period for which a share option must be held before it can be exercised**

As determined by the Board upon the grant of a share option.

**(g) Grant of share options**

A consideration of HK\$1 is payable on acceptance of the offer of grant of a share option where the grantee should accept or decline the offer of grant of a share option within the date as specified in the offer letter issued by the Company, being a date within 28 days from the date of the offer.

# Report of the Directors

## (h) Exercise price

The exercise price of a share in respect of any particular share option granted under the 2020 Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, (2) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five consecutive business days immediately preceding the date of grant, and (3) the nominal value of a share on the date of grant.

## (i) Life of the 2020 Share Option Scheme

The 2020 Share Option Scheme shall be valid and effective for a period of 10 years from 15 April 2020 until 14 April 2030.

## (B) 2025 Share Award Scheme

The Company has adopted the share award scheme on 8 July 2025 upon approved by the shareholders of the Company in the extraordinary general meeting held on 8 July 2025 (the "2025 Share Award Scheme"). The following is a summary of the principal terms of the 2025 Share Award Scheme:

### (a) Purpose

The purpose of the 2025 Share Award Scheme is to enable the Company to grant options and/or awards to selected participants as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders for the benefit of the medium to long-term development of the Group.

### (b) Administration and duration

The 2025 Share Award Scheme shall be subject to the administration of the remuneration committee of the Company (the "Remuneration Committee") whose decision shall be final and binding, save as otherwise provided in the 2025 Share Award Scheme. Subject to adoption of the 2025 Share Award Scheme and early termination in accordance with its rules, the Listing Rules, applicable laws and other regulations and the articles of association of the Company (the "Articles of Association") from time to time in force, the Remuneration Committee may at any time within ten years commencing on the adoption date make proposals for offers to be made to such eligible participants as the Remuneration Committee may in its sole and absolute discretion select.

# Report of the Directors

## **(c) Eligible participants and basis of determining the eligibility of participants**

The Remuneration Committee is empowered, in its sole and absolute discretion and based on such factors as it shall consider relevant, to grant awards to eligible participants it shall select from time to time. Eligible participant means any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted awards as an inducement to enter into employment contract with, any member of the Group.

The 2025 Share Award Scheme shall be subject to the administration of the Remuneration Committee which, in assessing the eligibility of an eligible participant, will consider factors as it shall considers relevant, including the job responsibilities, duties and scope, performance of the individual, the prevailing market conditions, local market practice and industry standards and benefits, contribution made or expected to be made to the growth and development of the Group and whether granting of an award is an appropriate incentive, and how an award (taken together with any performance targets and/or vesting terms) can serve the purpose of the 2025 Share Award Scheme with respect to the proposed grantee.

Any proposals for grants of an award will be always subject to the approval of the Remuneration Committee.

## **(d) Scheme limit**

The Remuneration Committee shall not make any award that may result in the total number of shares to be issued upon exercise of all options and awards granted under the 2025 Share Schemes and any awards and options granted under any other share schemes exceeding the scheme mandate limit unless:

- (a) such scheme mandate limit shall have been “refreshed” in accordance with the requirements of the Listing Rules; or
- (b) such awards are made to eligible participants and on terms specifically identified with the separate approval by shareholders in general meeting and otherwise in accordance with the requirements of the Listing Rules.

If and to the extent that any award is to be satisfied by the issuance and allotment of new shares, such new shares must be issued and allotted pursuant to any scheme mandate that may from time to time be approved by resolution of the shareholders in general meeting in accordance with the requirements of the Listing Rules and such mandate shall be subject to the scheme mandate limit.

# Report of the Directors

Awards lapsed in accordance with the terms of the 2025 Share Award Scheme shall not be regarded as utilised for the purpose of calculating the limit in this paragraph.

**(e) Maximum entitlement of each eligible participant**

Awards granted to individuals that exceed the thresholds set out in Chapter 17 of the Listing Rules will be subject to additional approval requirements as required under Chapter 17 of the Listing Rules.

No award to a Director (excluding an independent non-executive Director) or the chief executive of the Company, or any of their respective associates which would result in the new shares issued and to be issued in respect of all awards granted together with any awards and/or options granted under any other share scheme (excluding any award lapsed in accordance with the terms of the 2025 Share Award Scheme and any awards/options lapsed in accordance with the terms of the relevant share scheme) to such person in the 12-month period up to and including the date of grant of such award in aggregate exceeding 0.1% of the shares in issue (excluding any treasury shares) on such date of grant shall take effect without the approval of independent shareholders as required under the Listing Rules.

No award to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates which would result in the new shares issued and to be issued in respect of all options and awards granted together with any awards and/or options granted under any other share scheme (excluding any award lapsed in accordance with the terms of the 2025 Share Award Scheme and any awards/options lapsed in accordance with the terms of the relevant share scheme) to such person in the 12-month period up to and including the date of grant of such award in aggregate exceeding 0.1% of the shares in issue (excluding any treasury shares) on such date of grant shall take effect without the approval of independent shareholders as required under the Listing Rules.

In the circumstances described in the above, any grant of award beyond the maximum individual limit for the entitlement of each eligible participant prescribed in the preceding paragraphs in this section must be approved by shareholders in a general meeting of the Company with such grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the shareholders. Any vote taken at the general meeting to approve the grant of such awards must be taken on a poll and comply with the requirements under the Listing Rules.

# Report of the Directors

The Company shall send a circular to the shareholders explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the awards to be granted to each eligible participant, which must be fixed before shareholders' meeting; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the shareholders as a whole, and their recommendation to the independent shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time, within such time as may be specified in the Listing Rules and shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Without prejudice to the preceding paragraphs, no award to any eligible participant which would result in the new shares issued and to be issued in respect of all awards granted together with any awards and/or options granted under any other share scheme (excluding any award lapsed in accordance with the terms of the 2025 Share Award Scheme and any awards/options lapsed in accordance with the terms of the relevant share scheme) to such person in the 12-month period up to and including the date of such award in aggregate exceeding 1% of the number of shares in issue (excluding any treasury shares) on the date of grant shall take effect without the approval of shareholders as required under the Listing Rules, with the proposed grantee and his/her close associates (or associates if the grantee is a connected person) abstaining from voting.

Where any offer of an award is to be made to a Director, a chief executive or a substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee).

**(f) Offer and acceptance**

Subject to approval by the Remuneration Committee of the grant of awards proposed by the Remuneration Committee, an offer shall be made by the Remuneration Committee in writing in an award agreement. The award agreement shall be in such form as the Remuneration Committee may from time to time determine and shall specify, the number of shares in respect of which the offer is made, the date of vesting or vesting schedule, and such other terms and conditions to which the award shall be subject, and requiring the eligible participant to hold the award on the terms on which it is to be granted and to be bound by the rules of the 2025 Share Award Scheme.

# Report of the Directors

An offer shall remain open for acceptance by the eligible participant concerned for a period of 21 days from the date on which the offer is made or such other period as the Remuneration Committee may specify in writing. An offer shall be deemed to have been accepted when the counterpart of the award agreement duly signed by the grantee is received by the Company at the place specified in the award agreement. Under the rules of the 2025 Share Award Scheme, the Remuneration Committee may determine the amount, if any, payable by a grantee on acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

## **(g) Vesting of awards**

Subject to the rules of the 2025 Share Award Scheme and due compliance with the Listing Rules, applicable laws and other regulations and the Articles of Association from time to time in force and satisfaction (or waiver) of all vesting conditions, an award will vest on the date or dates specified in the award agreement, upon which the relevant number of shares will be transferred and/or issued to the grantee.

The Remuneration Committee has the sole and absolute discretion to determine the terms and conditions with respect to the entitlement and/or vesting of the award, including the following:

- (a) a minimum vesting period;
- (b) the performance, operating and financial targets and other criteria to be satisfied before the award can vest;
- (c) the amount, if any, payable on acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid;
- (d) the period, if any, during which shares allotted and issued or transferred upon vesting of the award shall be subject to restrictions on dealings, and the terms of such restrictions; and
- (e) the notification period, if any, to be given to the Company of any intended sale of shares allotted and issued or transferred upon vesting of the award.

None of the grantees shall be required to pay any further amount upon the vesting of the awards and transfer of the shares, other than costs associated with the delivery of shares in physical scrip (where the shares are available in certificated format) unless the Company otherwise agrees.

# Report of the Directors

The minimum period for which any award must be held before it vests shall not be less than 36 months, unless otherwise determined by the Remuneration Committee and approved by the Remuneration Committee, and in any event shall not be less than 12 months. The Board shall have the authority to determine a shorter vesting period, if the Remuneration Committee (or, as the case may be, the Board) considers that a shorter vesting period is appropriate to align with the purpose of the scheme, in any of the following specific circumstances:

- (a) is to be made to a new eligible participant to replace the share awards they forfeited when leaving the previous employer(s);
- (b) is subject to performance-based vesting conditions in lieu of (in whole or in part) time-based vesting criteria;
- (c) would have been made earlier but was delayed in order to accommodate administrative and compliance requirements of the Group that entailed awards generally being made in batch during a year;
- (d) contains a mixed or accelerated vesting schedule such as, where the award may vest evenly over a period of 12 months; or
- (e) has an aggregate vesting and lock up period of the shares transferred to the grantee upon vesting of the awards which exceeds 12 months.

Any offer made to any eligible participant who is a Director or a senior manager where the award:

- (a) has a vesting period of less than 12 months; and/or
- (b) does not include any performance target or clawback mechanism to recover or withhold any unvested award (or any portion thereof) in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances,

shall be subject to considered explanation of the Remuneration Committee.

# Report of the Directors

## (h) Performance targets

Under the rules of the 2025 Share Award Scheme, the Remuneration Committee has the sole and absolute discretion to determine the performance, operating and financial targets and other criteria to be satisfied before the award can vest, among other considerations:

- (i) for employees of the Group (except a Director or member of senior management of the Company): performance appraisal within a specified period reaching a desirable level, or the grantee's anticipated future contribution to the Group:
  - (a) sales targets: aggregate amount of revenue or business generated by the specific grantee during a financial year;
  - (b) operational targets: operation efficiency indicators (e.g. gross profit margin improvements); and
  - (c) any measurable performance benchmark which the Board considers relevant to the grantee: including key performance indicators of respective department(s) and/or business unit(s) to which the grantee belongs, individual position, annual appraisal result and performance of the grantee, and contributions made by the grantee to the Group.

it would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head; and

- (ii) for Directors and members of senior management of the Company: business or financial milestones, transaction milestones, performance appraisal within a specified period reaching a desirable level, or the grantee's anticipated future contribution to the Group:
  - (a) sales targets: revenue targets of the Group or any of its business units;
  - (b) operational targets: operation efficiency indicators (e.g. gross profit margin improvements);
  - (c) financial targets: net profits, cash flow, share price, market capitalisation, return on equity etc of the Group; and

# Report of the Directors

- (d) individual's performance targets: contribution to strategic development and business expansion, demonstration of integrity, compliance and upholding of corporate value of the Group.

his/her final rating will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed grantee(s) in question is/are member(s) of the Remuneration Committee, such member(s) shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to him/herself).

The Company will gather the data relevant to the defined performance targets of the relevant selected participant in the relevant period, and form a fair view as to whether the relevant performance targets have been fulfilled. The assessment will take into consideration an individual's role, position, responsibilities, performance and achievement, as well as the performance of the Company and the sub-unit to which the selected participant belongs. The Board or the Remuneration Committee (if authorised by the Board) shall have the sole discretion in determining whether the relevant performance targets for the selected participant have been met. Their decisions shall be final and binding.

For the avoidance of doubt and retain the respective independency, the performance targets set out are not applicable to the independent non-executive Directors. The Company has yet any plan or intention to grant any awards under the 2025 Share Award Scheme to any independent non-executive Directors of the Company as at the date of this annual report.

**(i) Shares for the awards**

The Remuneration Committee is empowered, in its sole and absolute discretion, to determine whether the shares to be subject to any award shall be acquired by issue of new shares and transfer of treasury shares (if any) (subject to the requirements of the relevant Listing Rules). If the Company has treasury shares available, the Company may use the treasury shares for the 2025 Share Award Scheme where appropriate.

**(j) Rights are personal to grantees**

Awards granted under the 2025 Share Award Scheme shall be personal to the grantee and shall not be sold, transferred, assigned, charged, mortgaged or encumbered by the grantee nor shall the grantee create any interest in favour of any third party over and in relation to any award.

# Report of the Directors

A grantee shall not be entitled to vote, to receive dividends or distributions, or to have any other rights of a shareholder in respect of the shares subject to the award until the award has been vested and shares are issued or transferred to the grantee.

**(k) Automatic lapse of awards**

An award (to the extent not vested) shall lapse automatically on the earliest of:

- (a) the date on which the grantee ceases to be an eligible participant by reason of the termination of his/her employment as set out in the section headed “(l) Clawback mechanism”;
- (b) the date on which the grantee sells, transfers, assigns, charges, mortgages, disposes, encumbers or creates any interest in favour of any third party over or in relation to any award;
- (c) when the grantee ceases to be an eligible participant, by reason of:
  - (i) his/her death;
  - (ii) ill health, injury or disability preventing the grantee from performing his/her duties under his/her employment or service agreement (as evidenced to the satisfaction of the Remuneration Committee);
  - (iii) retirement in accordance with his/her contract of employment or service with a member of the Group or early retirement (which refers to retirement before attaining the age of 65 unless the Remuneration Committee otherwise determines) with the approval of the member of the Group which employs the grantee;
  - (iv) termination of employment by redundancy; or
  - (v) termination or cessation of employment or directorship for any other reason (other than the circumstances contemplated under this paragraph and those which would trigger a clawback as set out in the section headed “(l) Clawback mechanism”),

# Report of the Directors

any awards issued to that grantee but not yet exercised shall automatically lapse, regardless of whether such awards have vested or not. Such lapse of the awards would not lead to an alteration of terms granted to a participant that subject to approval requirements under Note 2 to Rule 17.03(18) as it took place automatically under the terms of the 2025 Share Award Scheme;

- (d) the failure of the grantee to satisfy any performance, operating and financial targets and other criteria on or before the vesting date specified in the award;
- (e) the failure of the grantee to accept the shares upon vesting of the award in accordance with and/or provide such information as may be required under the terms of the award agreement; or
- (f) the date on which the award is cancelled by the Remuneration Committee as set out in the section headed “(t) Cancellation”.

## **(l) Clawback mechanism**

An award (to the extent not vested) shall lapse automatically on the date the grantee ceases to be an eligible participant by reason of termination of employment on grounds entitling the employer to effect such termination without notice (including, but not limited to, if he/she has been guilty of serious misconduct, or has committed any act of bankruptcy or has made any composition with his/her creditors generally or has been convicted of any criminal offence involving his/her integrity or honesty or has done something which brings any member of the Group into disrepute or in the event of a material misstatement in the Company’s financial statements) whether pursuant to the terms of the contract of employment of the grantee or otherwise, or the date on which a notice terminating the employment of such eligible participant for such reason is in fact given, whichever is the earlier. In the circumstances described above, where an award has vested but the shares referable to the vested awards have not yet been transferred to the relevant grantee, such awards shall be deemed not to have vested and shall lapse immediately, and no shares shall be transferred.

# Report of the Directors

## **(m) Separate listing**

If the grantee ceases to be an eligible participant by reason of the separate listing or sale of a member of the Group or disposal of the business of a member of the Group, or if the Company or another member of the Group is reorganised or merged or consolidated with another entity and the circumstances regarding a scheme of arrangement, compromise or arrangement do not apply, subject to the Listing Rules, the Remuneration Committee may in its sole and absolute discretion make such arrangements as it considers appropriate for the grant of substitute awards of equivalent fair value to the award in the purchasing, surviving or newly listed company, reach such accommodation with the grantee as it considers appropriate including the payment of cash compensation to the grantee equivalent to the fair value of an award (to the extent not already vested), waive any conditions to vesting of the award (to the extent not already vested), or permit the continuation of the award in accordance with its original terms.

## **(n) Reorganisation of capital structure**

In the event of a capitalisation issue, right issue, open offer with a price dilutive element, consolidation or subdivision of shares or reduction of capital of the Company while any award remains unvested, or any combination thereof, any such adjustments should give each grantee the same proportion of the equity capital, rounded to the nearest whole share, of the Company as that to which that grantee was previously entitled prior to such adjustments. No adjustments shall be made which will enable a share to be issued at less than its nominal value and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the requirements set out in Rule 17.03(13), provided that:

- (a) no adjustments may be made to the extent that any shares will be required to be issued at less than its nominal value (if any); and
- (b) all such adjustments shall be made in accordance with or in a manner consistent with the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange then applicable.

# Report of the Directors

For the avoidance of doubt, no adjustments shall be made in respect of (i) any issue of shares or securities convertible into shares for cash other than by way of rights to shareholders generally then existing (subject to any exclusions permitted under the Listing Rules) or (ii) by way of consideration pursuant to any transaction or (iii) any purchase or repurchase of shares by the Company or any of its subsidiaries.

No adjustment (other than any adjustment made on a capitalisation of profits or reserves) shall take effect unless the expert certifies to the Remuneration Committee in writing that such adjustment is made in accordance with the requirements of the 2025 Share Award Scheme. The adjustment so certified shall take effect on the date of the event giving rise to the adjustment, subject to receipt of the certificate from the expert and notwithstanding the date of certification may be at a later date.

The Company shall also promptly inform the trustee (if any) and grantees of any adjustments made.

**(o) Takeover, scheme of arrangement, compromise or arrangement, winding up**

If a general offer by way of takeover (other than by way of scheme of arrangement) is made to all shareholders (or all such shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Code on Takeovers and Mergers and Share Buy-backs, as amended from time to time) with the offeror), an award (to the extent not already vested) shall vest on the date the offer becomes or is declared unconditional in all respects.

If an offer by way of scheme of arrangement pursuant to the Companies Act of Cayman Islands (as amended from time to time) is made to all shareholders and has been approved by the necessary number of shareholders at the requisite meetings, the award (to the extent not already vested) shall vest on the date such scheme of arrangement takes effect (or such other date as may be determined by the Remuneration Committee and notified to the grantees generally such that the grantees may participate in the scheme of arrangement *pari passu* with the shareholders as at the date of the relevant meetings).

# Report of the Directors

If a compromise or arrangement (other than by way of a scheme of arrangement) between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of or the amalgamation of the Company with any other company or companies, the Company shall give notice to the grantees on the same date as it despatches the notice to each shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and the award shall immediately vest conditional only upon such compromise or arrangement being sanctioned by the court and becoming effective (or such other date as may be determined by the Remuneration Committee and notified to the grantees generally). The Company may require the grantee (or his or her personal representatives) to transfer or otherwise deal with the shares issued or transferred as a result of the vesting of an award in these circumstances so as to place the grantee in the same position, as nearly as possible, as would have been the case had such shares been subject to such compromise or arrangement.

If the Company gives a notice to its shareholders to convene a meeting to consider and, if thought fit, pass a resolution to voluntarily wind up the Company, the Company shall give notice to the grantees on the same date as it despatches the notice to each shareholder of such meeting and the award will immediately vest conditional only upon the resolution being passed (or such other date as may be determined by the Remuneration Committee and notified to the grantees generally) such that the grantees shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the shares as at the date of that meeting.

The Remuneration Committee may determine in its sole and absolute discretion in relation to any of the events described above a different (including earlier) vesting date, subject to applicable legal and regulatory requirements, in order to enable the grantee to participate in each of those events in respect of shares referable to his/her relevant awards as generally contemplated under those paragraphs.

**(p) Ranking of shares**

Shares being transferred or (if applicable) allotted and issued to a grantee (or its nominee if the shares are to be transferred electronically) upon the vesting of an award will be subject to all the provisions of the Articles of Association for the time being in force and shall rank *pari passu* in all respects with the fully-paid shares then in issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of transfer or (if applicable) allotment and issue, except the grantee shall not be entitled to receive any entitlements the record date or ex-entitlement date for which falls before the date of transfer of such shares.

# Report of the Directors

## (q) Termination

The 2025 Share Award Scheme shall terminate on the earlier of the 10th anniversary of the adoption date and such earlier date of termination as the Board or the shareholders by resolution at a general meeting may determine, and in such event no further awards shall be offered but in all other respects the provisions of the 2025 Share Award Scheme shall remain in full force and effect. All awards granted prior to such termination and not vested at the date of termination shall remain valid, subject to the terms of the 2025 Share Award Scheme.

## (r) Alteration

Subject to the circumstances set out below where shareholders' approval is required, the 2025 Share Award Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any grantee except where the consent in writing of grantees is obtained amounting to three-fourths in nominal value of all shares held by the trustee (if any) referable to the awards granted to such grantees on the date of such resolution of the Board (the "**2025 Share Award Scheme Alteration Approval**").

The Board may amend the 2025 Share Award Scheme or an award granted under the 2025 Share Award Scheme granted, provided that:

- (i) any alterations to the terms and conditions of the 2025 Share Award Scheme which are of a material nature or any alterations to the provisions relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of grantees or future grantees, including those which relate to:
  - (a) the purpose of the 2025 Share Award Scheme;
  - (b) the persons to or for whom awards may be granted under the 2025 Share Award Scheme and the basis for determining their eligibility;
  - (c) the terms and conditions for determining the purchase price;
  - (d) the limits on the number of shares which may be issued under the 2025 Share Award Scheme;

# Report of the Directors

- (e) the individual limits for grants under the 2025 Share Award Scheme; or
  - (f) any other matters prescribed by the Listing Rules to be subject to this restriction,
- must be approved by shareholders in general meeting, except where the alterations take effect automatically under the terms of the 2025 Share Award Scheme;
- (ii) any alterations or amendments to the terms of awards granted to an eligible participant which was subject to the approval of a particular body shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of the 2025 Share Award Scheme;
  - (iii) any alterations on terms of the 2025 Share Award Scheme or the awards must comply with Chapter 17 of the Listing Rules; or
  - (iv) any alterations to the authority of the Remuneration Committee or the Board pursuant to the alteration of the terms of the 2025 Share Award Scheme must be approved by ordinary resolution of shareholders in general meeting.

The Board need not obtain the 2025 Share Award Scheme Alteration Approval or the approval of the shareholders for any minor changes:

- (a) to benefit the administration of the 2025 Share Award Scheme;
- (b) to comply with or take account of the provisions of any proposed or existing legislation or regulation (including the Listing Rules) or any changes thereto; or
- (c) to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any grantee or future grantee,

or for alterations which take effect under the terms of the 2025 Share Award Scheme.

No amendment shall be made to the terms of the 2025 Share Award Scheme or awards granted or to be granted under it if such terms or awards would be inconsistent with the relevant law and regulations, including Chapter 17 of the Listing Rules, in force from time to time.

# Report of the Directors

## **(s) Restriction on grant**

No offer shall be made and no award shall be granted to any participant after inside information has come to the Company's knowledge until (and including) the trading day it has announced the information. In particular, the Company shall not grant any award during the period commencing 30 days immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to publish an announcement of, its results for any year or half-year in accordance with the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement (no award shall be granted during any period of delay in publishing a results announcement).

Without prejudice to the above, no offer may be made to any Director in any period during which Directors are prohibited from dealing in the securities of the Company pending the publication of results of the Company under the Listing Rules.

## **(t) Cancellation**

Awards granted but not vested or lapsed may be cancelled by the Remuneration Committee with the consent of the relevant grantee.

Any grant of an award to an eligible participant following the cancellation of an award may only be made in accordance with the terms of the 2025 Share Award Scheme, including but not limited to the limits set out in the sections headed "(d) Scheme Limit" and "(e) Maximum Entitlement of Each Eligible Participant", which would, for the avoidance of doubt, be regarded as continuing to have been utilised in respect of the number of shares which were the subject of the cancelled award.

# Report of the Directors

## **(C) 2025 Share Option Scheme**

The Company has adopted the new share option scheme on 8 July 2025 upon approved by the shareholders of the Company in the extraordinary general meeting held on 8 July 2025 (the “**2025 Share Option Scheme**”). The following is a summary of the principal terms of the 2025 Share Option Scheme:

### **(a) Purpose**

The purpose of the 2025 Share Option Scheme is to enable the Company to grant options to selected eligible participants as retention incentives or rewards for their contributions to the Group, to attract suitable personnel to enhance the development of the Group and to align the interests of the grantees generally with those of the shareholders for the benefit of the medium to long-term development of the Group.

### **(b) Administration and duration**

The 2025 Share Option Scheme shall be subject to the administration of the Remuneration Committee whose decision shall be final and binding, save as otherwise provided in the 2025 Share Option Scheme. Subject to adoption of the 2025 Share Option Scheme and early termination in accordance with its rules, the Listing Rules, applicable laws and other regulations from time to time in force, the 2025 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the adoption date, after which period no further options will be granted.

### **(c) Eligible participants and basis of determining the eligibility of participants**

The Remuneration Committee is empowered, in its sole and absolute discretion and based on such factors as it shall consider relevant, to grant options to eligible participants it shall select from time to time. Eligible participant means any director or employee of, or any person who has accepted an employment offer (whether full time or part time) from, or who is being granted options as an inducement to enter into employment contract with, the Company or any member of the Group.

The 2025 Share Option Scheme shall be subject to the administration of the Remuneration Committee which, in assessing the eligibility of an eligible participant, will consider factors as it shall considers relevant, including the job responsibilities, duties and scope, performance of the individual, the prevailing market conditions, local market practice and industry standards and benefits, contribution made or expected to be made to the growth and development of the Group and whether granting of an option is an appropriate incentive, and how an option (taken together with any performance targets and/or vesting terms) can serve the purpose of the 2025 Share Option Scheme with respect to the proposed grantee.

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Any proposals for grants of an option will be always subject to the approval of the Remuneration Committee.

**(d) Scheme limit**

The Remuneration Committee shall not make any offers of options that may result in the total number of shares which may be issued upon exercise of all options and awards to be granted under the 2025 Share Schemes and any options and awards granted under any other share schemes exceeding the scheme mandate limit unless:

- (a) such scheme mandate limit shall have been “refreshed” in accordance with the requirements of the Listing Rules; or
- (b) such options are made to eligible participants and on terms specifically identified with the separate approval by shareholders in general meeting and otherwise in accordance with the requirements of the Listing Rules,

Options lapsed in accordance with the terms of the 2025 Share Option Scheme shall not be regarded as utilised for the purpose of calculating the limit in this paragraph.

**(e) Maximum entitlement of each eligible participant**

Options granted to individuals that exceed the thresholds set out in Chapter 17 of the Listing Rules will be subject to additional approval requirements as required under Chapter 17 of the Listing Rules.

No offer of options to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates which would result in the new shares issued and to be issued in respect of all options and awards granted together with any awards and/or options granted under any other share scheme (excluding any option lapsed in accordance with the terms of the 2025 Share Option Scheme and any awards/options lapsed in accordance with the terms of the relevant share scheme) to such person in the 12-month period up to and including the date of grant of such option in aggregate exceeding 0.1% of the shares in issue (excluding any treasury shares) on such date of grant shall take effect without the approval of independent shareholders as required under the Listing Rules.

# Report of the Directors

In the circumstances described in the above, any grant of option beyond the maximum individual limit for the entitlement of each eligible participant prescribed in the preceding paragraph in this section must be approved by shareholders in a general meeting of the Company with such grantee, his/her associates and all core connected persons of the Company abstaining from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(1) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the shareholders. Any vote taken at the general meeting to approve the grant of such options must be taken on a poll and comply with the requirements under the Listing Rules.

The circular must be prepared by the Company explaining the proposed grant, containing, among other matters, (i) details of the number and terms of the options to be granted to each eligible participant, which must be fixed before shareholders' meeting; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is a grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the shareholders as a whole, and their recommendation to the independent shareholders as to voting; and (iii) information as may be required by the Stock Exchange from time to time, within such time as may be specified in the Listing Rules and shall comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

Without prejudice to the preceding paragraph, no grant of options to any eligible participant which would result in the new shares issued and to be issued upon exercise of all options granted together with any awards and/or options granted under any other share scheme (excluding any options lapsed in accordance with the terms of the 2025 Share Option Scheme or any awards/options lapsed in accordance with the terms of the relevant share scheme) to such person in the 12-month period up to and including the date of grant of such option in aggregate exceeding 1% of the total number of shares in issue (excluding any treasury shares) on such date of grant shall take effect without the approval of shareholders as required under the Listing Rules, with the proposed grantee and his/her close associates (or associates if the grantee is a connected person) abstaining from voting.

Where any offer of an option is to be made to a Director, a chief executive or a substantial shareholder of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the grantee).

# Report of the Directors

**(f) Grant of options**

Subject to the provisions of the Listing Rules, applicable laws and other regulations and Articles of Association from time to time in force and subject to the provisions below, the Remuneration Committee may at any time within ten years commencing on the adoption date to offer the grant of an option to any eligible participant as the Remuneration Committee may in its absolute discretion select to take up an option pursuant to which such eligible participant may, during the option period, subscribe for such number of shares as the Remuneration Committee may determine at the exercise price. The Remuneration Committee may in its absolute discretion specify such conditions, restrictions or limitations as it thinks fit when making an offer to an eligible participant.

The Remuneration Committee may, in its sole and absolute discretion and based on such factors as it shall consider relevant, will be always subject to the approval of the Remuneration Committee, and to the extent applicable, shareholders, grant options on such terms and subject to such conditions as it thinks fit and may specify those circumstances, if any, in which such terms and conditions shall be waived or treated as waived.

**(g) Offer and acceptance**

Subject to approval by the Remuneration Committee, an offer shall be made by the Remuneration Committee in writing in a letter of grant. A letter of grant shall be in such form as the Remuneration Committee may from time to time determine and shall specify, the number of options in respect of which the offer is made, the date of vesting or vesting schedule, and such other terms and conditions to which the options shall be subject, and requiring the eligible participant to hold the option on the terms on which it is to be granted and to be bound by the rules of the 2025 Share Option Scheme.

An offer shall remain open for acceptance by the eligible participant concerned (and by no other person, including his or her personal representatives) for a period of 21 days from the date of grant or such other period as the Remuneration Committee may specify in writing and notify to the eligible participant concerned, which period shall not in any event exceed 60 days from the date of grant of an option (inclusive of the date of grant). For the avoidance of doubt, an offer may not be accepted by a person who has ceased to be an eligible participant after the offer has been made and prior to acceptance of the offer.

# Report of the Directors

An option shall be deemed to have been granted and accepted on the date of grant provided that the eligible participant concerned shall have signed the counterpart of the letter of grant and such signed counterpart is received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant within the acceptance period.

## (h) Exercise price

The exercise price shall, subject to any adjustments made pursuant to the terms of the 2025 Share Option Scheme, be determined by the Remuneration Committee and notified to an eligible participant and shall be at least the higher of:

- (a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day;
- (b) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and
- (c) the nominal value of a share on the date of grant, and as subsequently adjusted pursuant to the terms of the 2025 Share Option Scheme, if relevant.

## (i) Vesting of options

The Remuneration Committee has the sole and absolute discretion to determine the terms and conditions with respect to the vesting of the option, including the following:

- (a) a minimum vesting period;
- (b) the performance, operating and financial targets and other criteria to be satisfied before the option can be exercised;
- (c) the exercise price;
- (d) the period, if any, during which shares allotted and issued upon exercise of the option shall be subject to restrictions on dealings, and the terms of such restrictions; and
- (e) the notification period, if any, to be given to the Company of any intended sale of shares allotted and issued or transferred upon exercise of the option.

# Report of the Directors

The minimum period for which any option must be held before it vests shall not be less than 24 months, unless otherwise determined by the Remuneration Committee and approved by the Remuneration Committee, and in any event shall not be less than 12 months. A vesting period shorter than 12 months may be granted to eligible participants at the discretion of the Board (or the Remuneration Committee where the arrangements relate to grants of options to the directors and/or senior management of the Company) in any of the following specific circumstances:

- (a) is to be made to a new eligible participant to replace the share options they forfeited when leaving the previous employer(s);
- (b) is subject to performance-based vesting conditions in lieu of (in whole or in part) time-based vesting criteria;
- (c) would have been made earlier but was delayed in order to accommodate administrative and compliance requirements of the Group that entailed options generally being made in batch during a year;
- (d) contains a mixed or accelerated vesting schedule such as, where the option may vest evenly over a period of 12 months; or
- (e) has an aggregate vesting and lock up period of the shares issued to the grantee upon vesting of the options which exceeds 12 months.

Any offer made to any eligible participant who is a Director or a senior manager where the option:

- (a) has a vesting period of less than 12 months; and/or
- (b) does not include any performance target or clawback mechanism to recover or withhold any option (or any portion thereof) in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances,

shall be subject to considered explanation of the Remuneration Committee.

# Report of the Directors

## (j) Exercise of options

An option may be exercised in whole or in part by the grantee (or his or her personal representatives) by giving notice in writing stating that the option is exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the shares in respect of which the notice is given and the handling fee and disbursements. Within 40 days after receipt of the notice and, where appropriate, receipt of the expert's certificate, the Company shall allot and issue the relevant number of shares to the grantee (or his or her personal representatives) credited as fully-paid.

An option may be exercised at any time during the option period, provided that no option will vest (and therefore not be exercisable) unless all relevant conditions to which it is subject have been satisfied, waived or, by the terms of grant, treated as having been waived.

## (k) Performance targets

Under the rules of the 2025 Share Option Scheme, the Remuneration Committee has the sole and absolute discretion to determine the performance, operating and financial targets and other criteria to be satisfied before the option can vest, among other considerations:

- (i) for employees of the Group (except a Director or member of senior management of the Company): performance appraisal within a specified period reaching a desirable level, or the grantee's anticipated future contribution to the Group:
  - (a) sales targets: aggregate amount of revenue or business generated by the specific grantee during a financial year;
  - (b) operational targets: operation efficiency indicators (e.g. gross profit margin improvements);
  - (c) any measurable performance benchmark which the Board considers relevant to the grantee: including key performance indicators of respective department(s) and/or business unit(s) to which the grantee belongs, individual position, annual appraisal result and performance of the grantee, and contributions made by the grantee to the Group.

it would be assessed by his/her manager through the annual performance review process and his/her final rating will be subject to the performance results and approval by the relevant department head; and

# Report of the Directors

- (ii) for Directors and members of senior management of the Company: business or financial milestones, transaction milestones, performance appraisal within a specified period reaching a desirable level, or the grantee's anticipated future contribution to the Group:
  - (a) sales targets: revenue targets of the Group or any of its business units;
  - (b) operational targets: operation efficiency indicators (e.g. gross profit margin improvements);
  - (c) financial targets: net profits, cash flow, share price, market capitalisation, return on equity etc of the Group; and
  - (d) individual's performance targets: contribution to strategic development and business expansion, demonstration of integrity, compliance and upholding of corporate value of the Group.

his/her final rating will be subject to assessment and approval by the Remuneration Committee (provided that if the proposed grantee(s) in question is/are member(s) of the Remuneration Committee, such member(s) shall abstain from considering any matters in relation to the assessment of achievement of performance targets with respect to him/herself).

The Company will gather the data relevant to the defined performance targets of the relevant selected participant in the relevant period, and form a fair view as to whether the relevant performance targets have been fulfilled. The assessment will take into consideration an individual's role, position, responsibilities, performance and achievement, as well as the performance of the Company and the sub-unit to which the selected participant belongs. The Board or the Remuneration Committee (if authorised by the Board) shall have the sole discretion in determining whether the relevant performance targets for the selected participant have been met. Their decisions shall be final and binding.

For the avoidance of doubt and retain the respective independency, the performance targets set out are not applicable to the independent non-executive Directors. The Company has yet any plan or intention to grant any options under the 2025 Share Option Scheme to any independent non-executive Directors of the Company as at the date of this annual report.

# Report of the Directors

## (l) Rights are personal to grantees

Options granted under the 2025 Share Option Scheme shall be personal to the grantee and shall not be sold, transferred, assigned, charged, mortgaged or encumbered by the grantee nor shall the grantee create any interest in favour of any third party over and in relation to any option.

No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised notwithstanding the satisfaction of any vesting periods and/or performance targets (if any).

## (m) Automatic lapse of options

An option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) subject to the circumstances set out in point (f) below, the expiry of the option period;
- (b) the expiry of any of the periods referred to in the section “(q) Takeover, scheme of arrangement, compromise or arrangement, winding up”;
- (c) subject to the circumstances set out in the section “(q) Takeover, scheme of arrangement, compromise or arrangement, winding up”, the date of the commencement of the winding-up of the Company;
- (d) the date on which a compromise or arrangement referred to in “(q) Takeover, scheme of arrangement, compromise or arrangement, winding up”, becoming effective;
- (e) the date on which the grantee ceases to be an eligible participant by reason of the termination of his employment as set out in the section headed “(n) Clawback mechanism”;
- (f) when the grantee ceases to be an eligible participant, by reason of:
  - (i) his/her death;
  - (ii) ill health, injury or disability preventing the grantee from performing his/her duties under his employment or service agreement (as evidenced to the satisfaction of the Remuneration Committee);

# Report of the Directors

- (iii) retirement in accordance with his/her contract of employment or service with a member of the Group or early retirement (which refers to retirement before attaining the age of 65 unless the Remuneration Committee otherwise determines) with the approval of the member of the Group which employs the grantee;
- (iv) termination of employment by redundancy; or
- (v) termination or cessation of employment or directorship for any other reason (other than the circumstances contemplated under this paragraph and those which would trigger a clawback as set out in the section headed “(n) Clawback mechanism”),

any options issued to that grantee but not yet exercised shall automatically lapse, regardless of whether such options have vested or not. Such lapse of the options would not lead to an alteration of terms granted to a participant that subject to approval requirements under Note 2 to Rule 17.03(18) as it took place automatically under the terms of the 2025 Share Option Scheme;

- (g) the date on which the grantee sells, transfers, assigns, charges, mortgages, disposes, encumbers or creates any interest in favour of any third party over or in relation to any option, if the Remuneration Committee shall exercise the Company’s right to cancel the same;
- (h) in respect of unvested options, the date on which the grantee ceases to be an eligible participant;
- (i) the failure of the grantee to satisfy any performance, operating and financial targets and other criteria on or before the vesting date specified in the letter of grant; or
- (j) the date on which the option is cancelled by the Remuneration Committee as set out in the section headed “(v) Cancellation”.

# Report of the Directors

## (n) Clawback mechanism

An option (to the extent not already exercised) shall lapse automatically on the date the grantee ceases to be an eligible participant by reason of termination of employment on grounds entitling the employer to effect such termination without notice (including, but not limited to, if he/she has been guilty of serious misconduct, or has committed any act of bankruptcy or has made any composition with his or her creditors generally or has been convicted of any criminal offence involving his or her integrity or honesty or has done something which brings any member of the Group into disrepute or in the event of a material misstatement in the Company's financial statements) whether pursuant to the terms of the contract of employment of the grantee or otherwise, or the date on which a notice terminating the employment of such eligible participant for such reason is in fact given, whichever is the earlier. In the circumstances described above, where an option has vested and has been exercised but the shares have not yet been issued to the relevant grantee, such options shall be deemed not to have been exercised and shall lapse immediately, and no shares shall be issued. Any exercise price paid by the grantee shall be returned to the grantee (without interest).

## (o) Separate listing

If the grantee ceases to be an eligible participant by reason of the separate listing or sale of a member of the Group or disposal of the business of a member of the Group, or if the Company or another member of the Group is reorganised or merged or consolidated with another entity and the circumstances regarding a scheme of arrangement, compromise or arrangement do not apply, subject to the Listing Rules, the Remuneration Committee may in its sole and absolute discretion make such arrangements as it considers appropriate for the grant of substitute options of equivalent fair value to an option (to the extent not already exercised) in the purchasing, surviving or newly listed company, reach such accommodation with the grantee as it considers appropriate including the payment of cash compensation to the grantee equivalent to the fair value of an option (to the extent not already exercised), waive any conditions to vesting of an option, or permit the continuation of the option in accordance with its original terms.

## (p) Reorganisation of capital structure

In the event of a capitalisation issue, right issue, open offer with a price dilutive element, consolidation or subdivision of shares or reduction of capital of the Company, such corresponding adjustments (if any) shall be made to:

- (a) the number or nominal amount of shares subject to the option so far as unexercised; and/or

# Report of the Directors

- (b) the exercise price; and/or
- (c) the method of exercise of the option(s),

or any combination thereof, any such adjustments should give each grantee the same proportion of the equity capital, rounded to the nearest whole share, of the Company as that to which that grantee was previously entitled prior to such adjustments. No adjustments shall be made which will enable a share to be issued at less than its nominal value and the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment. Save in the case of capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s) satisfy the requirements set out in Rule 17.03(13) of the Listing Rules, provided that:

- (a) no adjustments may be made to the extent that any shares will be required to be issued at less than its nominal value (if any); and
- (b) all such adjustments shall be made in accordance with or in a manner consistent with the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange then applicable.

For the avoidance of doubt, no adjustments shall be made in respect of (i) any issue of shares or securities convertible into shares for cash other than by way of rights to shareholders generally then existing (subject to any exclusions permitted under the Listing Rules) or (ii) by way of consideration pursuant to any transaction or (iii) any purchase or repurchase of shares by the Company or any of its subsidiaries.

No adjustment (other than any adjustment made on a capitalisation of profits or reserves) shall take effect unless the expert certifies to the Remuneration Committee in writing that such adjustment is made in accordance with the requirements of the 2025 Share Option Scheme. The adjustment so certified shall take effect on the date of the event giving rise to the adjustment, subject to receipt of the certificate from the expert and notwithstanding the date of certification may be at a later date.

The Company shall promptly inform the grantees of any adjustments made pursuant to this section.

# Report of the Directors

## **(q) Takeover, scheme of arrangement, compromise or arrangement, winding up**

If a general offer by way of takeover (other than by way of scheme of arrangement) is made to all shareholders (or all such shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Code on Takeovers and Mergers and Share Buy-backs, as amended from time to time) with the offeror) and such offer becomes or is declared unconditional in all respects, the grantee (or his or her personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional in all respects.

If an offer by way of scheme of arrangement is made to all shareholders pursuant to the Companies Act of Cayman Islands (as amended from time to time) and has been approved by the necessary number of shareholders at the requisite meetings, the grantee (or his or her personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within one month after the date on which scheme of arrangement takes effect (or such other date as may be determined by the Remuneration Committee and notified to the grantees generally such that the grantees may participate in the scheme of arrangement *pari passu* with the shareholders as at the date of the relevant meetings).

If a compromise or arrangement (other than by way of a scheme of arrangement) between the Company and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of or the amalgamation of the Company with any other company or companies, the Company shall give notice to the grantees on the same date as it despatches the notice to each shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date two months thereafter and the date on which such compromise or arrangement is sanctioned by the court, exercise any of the options whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective (or such other date as may be determined by the Remuneration Committee and notified to the grantees generally). Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the 2025 Share Option Scheme. The Company may require the grantee (or the grantee's personal representative(s)) to transfer or otherwise deal with the shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such shares been subject to such compromise or arrangement.

# Report of the Directors

If the Company gives a notice to its shareholders to convene a meeting to consider and, if thought fit, pass a resolution to voluntarily wind up the Company, the Company shall give notice to the grantees on the same date as it despatches the notice to each shareholder of such meeting and the options will immediately vest conditional only upon the resolution being passed (or such other date as may be determined by the Remuneration Committee and notified to the grantees generally), and the grantee (or his or her personal representatives) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the option had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the shareholders such sum as would have been received in respect of the shares the subject of such election reduced by an amount equal to the exercise price which would otherwise have been payable in respect thereof.

The Remuneration Committee may determine in its sole and absolute discretion in relation to any of the events described above a different (including earlier) vesting date, subject to applicable legal and regulatory requirements, in order to enable the grantee to participate in each of those events in respect of shares referable to his or her relevant options as generally contemplated under those paragraphs.

**(r) Ranking of shares**

The shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully-paid shares then in issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment, except the grantee shall not be entitled to receive any entitlements the record date or ex-entitlement date for which falls before the date of allotment. No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an option that has not been exercised notwithstanding the satisfaction of any vesting periods and/or performance targets (if any).

**(s) Termination**

The 2025 Share Option Scheme shall terminate on the earlier of the 10th anniversary of the adoption date and such earlier date of termination as the Board or the shareholders by resolution at a general meeting may determine and in such event no further options shall be offered but in all other respects the provisions of the 2025 Share Option Scheme shall remain in full force and effect. options which are granted during the life of the 2025 Share Option Scheme and remain unexpired immediately prior to the termination of the operation of the 2025 Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the 2025 Share Option Scheme.

# Report of the Directors

## (t) Alteration

Subject to the circumstances set out below where shareholders' approval is required, the 2025 Share Option Scheme may be altered in any respect by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any grantee except where the consent in writing of grantees is obtained amounting to three-fourths in nominal value of all shares referable to the options granted to such grantees on the date of such resolution of the Board (the "**2025 Share Option Scheme Alteration Approval**").

The Board may amend the 2025 Share Option Scheme or an option granted under the 2025 Share Option Scheme granted, provided that:

- (i) any alterations to the terms and conditions of the 2025 Share Option Scheme which are of a material nature or any alterations to the provisions relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of grantees or future grantees, including those which relate to:
  - (a) the purpose of the 2025 Share Option Scheme;
  - (b) the persons to or for whom options may be granted under the 2025 Share Option Scheme and the basis for determining their eligibility;
  - (c) the terms and conditions for determining the exercise price;
  - (d) the limits on the number of shares which may be issued under the 2025 Share Option Scheme;
  - (e) the individual limits for grants under the 2025 Share Option Scheme; or
  - (f) any other matters prescribed by the Listing Rules to be subject to this restriction,must be approved by shareholders in general meeting, except where the alterations take effect automatically under the terms of the 2025 Share Option Scheme;
- (ii) any alterations or amendments to the terms of options granted to an eligible participant which was subject to the approval of a particular body shall be subject to approval by that same body, provided that this requirement does not apply where the relevant alteration takes effect automatically under existing terms of the 2025 Share Option Scheme;

# Report of the Directors

- (iii) any alterations on terms of the 2025 Share Option Scheme or the options must comply with Chapter 17 of the Listing Rules; or
- (iv) any alterations to the authority of the Remuneration Committee or the Board pursuant to the alteration of the terms of the 2025 Share Option Scheme must be approved by ordinary resolution of shareholders in general meeting.

The Board need not obtain the 2025 Share Option Scheme Alteration Approval or the approval of the shareholders for any minor changes:

- (a) to benefit the administration of the 2025 Share Option Scheme;
- (b) to comply with or take account of the provisions of any proposed or existing legislation or regulation (including the Listing Rules) or any changes thereto; or
- (c) to obtain or maintain favourable tax, exchange control or regulatory treatment of any member of the Group or any grantee or future grantee,

or for alterations which take effect under the terms of the 2025 Share Option Scheme.

No amendment shall be made to the terms of the 2025 Share Option Scheme or option granted or to be granted under it if such terms or option would be inconsistent with the relevant law and regulations, including Chapter 17 of the Listing Rules, in force from time to time.

**(u) Restriction on grant**

No offer shall be made and no option shall be granted to any participant after inside information has come to the Company's knowledge until (and including) the trading day it has announced the information. In particular, the Company shall not grant any option during the period commencing 30 days immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the requirements of the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

# Report of the Directors

- (b) the deadline for the Company to publish an announcement of, its results for any year or half-year in accordance with the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement (no option shall be granted during any period of delay in publishing a results announcement).

Without prejudice to the above, no offer may be made to any Director in any period during which Directors are prohibited from dealing in the securities of the Company pending the publication of results of the Company under the Listing Rules.

## (v) Cancellation

The Remuneration Committee may at any time at its absolute discretion cancel any option granted but not exercised or lapsed. Where the Remuneration Committee cancels options and makes an offer of the grant of new options to the same grantee, such offer may only be made with available unissued options (to the extent not yet granted and excluding the cancelled options and awards) within the limits set out in the section headed “(d) Scheme limit”. Options cancelled shall be regarded as utilised for the purpose of calculating the scheme mandate limit.

From 8 July 2025 and up to the date of this annual report, the Company has not granted any share or share options under the 2025 Share Award Scheme and the 2025 Share Option Scheme and thus there were no outstanding share or share options under the 2025 Share Award Scheme and the 2025 Share Option Scheme.

As at the end of the Reporting Period and the date of this annual report, there were 114,355,057 share or share options available for grant under the 2025 Share Award Scheme and the 2025 Share Option Scheme, representing approximately 8.33% of the issued share capital of the Company as at 31 December 2025 and the date of this annual report. The total share or share options available for grant under the 2025 Share Award Scheme and the 2025 Share Option Scheme divided by the weighted average number of shares in issue for the year ended 31 December 2025 was approximately 9.36%.

Detail of share schemes are set out in note 33 to the consolidated financial statements.

# Report of the Directors

## SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2025, according to the register kept by the Company under section 336 of the SFO, the corporations or persons (other than a Director or the chief executive of the Company) had interests of 5% or more in the shares or underlying shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO were as follows:

Name of shareholder	Capacity	Number of shares <sup>(1)</sup>	Approximate percentage of shareholding <sup>(2)</sup>
Charming Blaze Limited <sup>(3)</sup>	Beneficial owner	212,121,212 (L)	15.46%

Notes:

- (1) "L" denotes long position in the shares of the Company.
- (2) The calculation is based on the total number of 1,372,260,578 shares of the Company in issue as at 31 December 2025.
- (3) Mr. Lee Cho Man Joe is the ultimate beneficial owner of Charming Blaze Limited.

Save as disclosed above, as of the date of this annual report, no other person (other than a Director or the chief executive of the Company) had registered an interest or short position in the shares, underlying shares and debentures of the Company which fell to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There is no contract of significance to which the Company, its holding company, subsidiaries or fellow subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period.

## CONTRACTS OF SIGNIFICANCE WITH CONTROLLING SHAREHOLDERS

There was no contract of significance entered into between the Company, or any of its subsidiaries, and controlling Shareholders of the Company, or any of its subsidiaries, during the Reporting Period.

# Report of the Directors

## MANAGEMENT CONTRACTS

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

## RELATED PARTY TRANSACTIONS

Details of the related party transactions are disclosed in note 39 to the consolidated financial statements. During the Reporting Period, there were no connected transactions or continuing connected transactions of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

## COMPETING INTEREST

During the Reporting Period and up to the date of this annual report, none of the Directors or their respective associates (as defined in the Listing Rules) had an interest in a business, which competes or may compete with the business of the Group.

## REMUNERATION POLICY

During the Reporting Period, the remuneration policy of the Group to reward its employees and executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprise salary, contribution to pension schemes and discretionary bonus related to the profit of the relevant company.

The remuneration policy of the Group is set up by the Remuneration Committee on the basis of market trends and the individuals' merit, qualifications and competence upon and after the Listing.

The Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics, made recommendations to the Board for all remuneration of the executive Directors and the senior management of the Company.

The Company has adopted the share schemes as an incentive to Directors and eligible employees, details of the scheme are set out in the heading under "Share Schemes".

# Report of the Directors

## **EMOLUMENTS OF DIRECTORS, CHIEF EXECUTIVE AND THE FIVE HIGHEST PAID INDIVIDUALS**

Details of the emoluments of the Directors, chief executive and the five highest paid individuals of the Group are set out in notes 9 and 10 to the consolidated financial statements.

## **RETIREMENT SCHEME**

Particulars of the retirement schemes of the Group are set out in note 2 to the consolidated financial statements.

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

During the Reporting Period and up to the date of this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

## **PRE-EMPTIVE RIGHTS**

There is no provision for pre-emptive rights under the Articles of Association although there is no restriction against such rights under the laws in the Cayman Islands.

## **TAX RELIEF AND EXEMPTION**

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

## **MAJOR CUSTOMERS AND SUPPLIERS**

For the Reporting Period, revenue from the Group from the largest customer and the five largest customers combined accounted for approximately 19.3% and 41.9% of the Group's total revenue respectively. For the Reporting Period, purchase from the Group from the largest supplier and the five largest suppliers combined accounted for approximately 32.1% and 61.0% of the Group's total purchases respectively.

None of the Directors, their respective close associates nor any shareholder (who or which to the best knowledge of the Directors owns more than 5% of the issued share capital of the Company) has any interest in the top five customers and top five suppliers of the Group during the Reporting Period.

# Report of the Directors

## FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years/ period is set out on page 218 of this annual report. This summary does not form part of the audited consolidated financial statements.

## USE OF PROCEEDS FROM THE LISTING

Please refer to the paragraph headed “Use of Proceed” under the section “Management Discussion and Analysis” on pages 16 to 17 of this annual report.

## PUBLIC FLOAT

As at the date of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the Directors.

## ANNUAL GENERAL MEETING

The AGM will be held on Friday, 26 June 2026 (the “**2026 AGM**”) and the notice of the 2026 AGM will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

## CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders who are entitled to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares of the Company will be registered.

In order to qualify for attending the 2026 AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 22 June 2026.

# Report of the Directors

## AUDITOR

The consolidated financial statements for the year ended 31 December 2025 was audited by Suya WWC CPA Limited (“**Suya**”). Suya will retire at the forthcoming annual general meeting of the Company (“**AGM**”) and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Suya as the auditor of the Company is to be proposed at the AGM.

On behalf of the Board

**Chen Yongzhong**

*Executive Director*

Hong Kong, 31 March 2026

# Independent Auditor's Report

TO THE SHAREHOLDERS OF  
**MOG DIGITECH HOLDINGS LIMITED**  
*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of MOG Digitech Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) set out on pages 100 to 217, which comprise the consolidated statement of financial position 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 ended 31 December 2025, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group at 31 December 2025, and of its financial performance and cash flows for the year ended 31 December 2025 in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) issued by the International Accounting Standards Board (the “**IASB**”) 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 Hong Kong Institute of Certified Public Accountants (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 application to audit of financial statement of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.

# Independent Auditor's Report

## KEY AUDIT MATTERS (Continued)

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matter	How our audit addressed the Key Audit Matter
------------------	--

### *Impairment assessment of goodwill*

As at 31 December 2025, the Group has a carrying amount of goodwill of approximately RMB46,522,000, representing 4.9% of the total assets of the Group. Management performs impairment assessment annually or when indicators of potential impairment are identified. The Group had not recognised impairment loss of goodwill for the year ended 31 December 2025.

For the purpose of impairment assessment, the management assess the recoverable amount of goodwill based on the relevant cash generating units ("CGUs").

We had identified the impairment assessment of goodwill as a key audit matter because significant management judgements were required to determine key assumptions.

The Group has engaged external valuer to assist management in determining the recoverable amount of goodwill as at 31 December 2025.

Related disclosures are included in notes 2 and 20 to the consolidated financial statements.

Our key audit procedures, among others, included:

- (a) We discussed with management as to whether there was any indicator of impairment;
- (b) We obtained cash flow forecasts relating to each CGU prepared by management and approved by the directors of the Company;
- (c) We evaluated the competence, capabilities and objectivity of the independent valuer taking into account its experience and qualification;
- (d) We discussed with management and the independent external valuer engaged by the Company in relation to the methodology, basis and assumptions used in arriving at the cash flow forecasts to see whether the methodology and assumptions used were reasonable;
- (e) We checked, on a sample basis, the accuracy and reliance of the input data used by the independent external valuer; and
- (f) We also assessed the adequacy of the disclosures regarding the impairment assessment in the consolidated financial statements.

# Independent Auditor's Report

## KEY AUDIT MATTERS (Continued)

### Key audit matter

### How our audit addressed the Key Audit Matter

#### ***Expected credit loss ("ECL") assessment of trade and other receivables***

As at 31 December 2025, the gross amounts of trade receivables and other receivables and their related accumulated allowances for ECL amounted to approximately RMB40,505,000, representing 4.3% of the total assets of the Group and RMB486,241,000, representing 51.1% of the total assets of the Group, respectively. The related accumulate allowances for expected credit losses amounted to approximately RMB7,224,000 and RMB38,398,000, respectively.

At the end of each reporting period, the management estimates the amount of ECL for trade receivables by taking into account the historical credit loss experience and market credit loss rate and adjusted for forward-looking information of respective trade receivables.

The Group's expected credit loss calculations on other receivables are based on assumptions about risk of default and loss given default.

The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on credit risk of the debtors or comparable companies in the market, existing market conditions as well as forward looking estimates at the end of each reporting period.

The management of the Group believes that they have considered reasonable and supportable information that is relevant and available without undue cost and effort for this purpose.

The Group has engaged external valuers to assist management in determining the expected credit loss for trade and other receivables at the end of the reporting period.

We have identified the management's ECL assessment of trade and other receivables as a key audit matter because the carrying amount of trade and other receivables was significant to the consolidated financial statements and the ECL assessment of these balances required significant judgement and involved high level of uncertainty.

Related disclosures are included in notes 2, 23 and 41 to the consolidated financial statements.

Our key audit procedures, among others, included:

- (a) We obtained an understanding of the Group's credit risk management and practices and assessing the Group's impairment provisional policy in accordance with the requirements of applicable accounting standards;
- (b) We assessed the application of impairment methodology of ECL, and key parameters, on a sample basis;
- (c) We tested on a sample basis, the accuracy of ageing categories of trade and other receivables based on relevant documents;
- (d) We checked the calculation of ECL and adequacy of the Group's disclosures in relation to credit risk exposed by the Group in the consolidated financial statements;
- (e) We tested subsequent settlements of trade and other receivables, on a sample basis, by inspecting supporting documents in relation to cash receipt from the debtors subsequent to the end of reporting period;
- (f) We evaluated the competence, capabilities and objectivity of the independent valuer taking into account its experience and qualification; and
- (g) We assessed the adequacy of the disclosures of the recoverability of trade and other receivables in the consolidated financial statements.

# Independent Auditor's Report

## **OTHER INFORMATION**

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

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

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

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

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

# Independent Auditor's Report

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

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

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

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional 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 of the Company.

# Independent Auditor's Report

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee, 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 the Audit Committee 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.

# Independent Auditor's Report

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

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

The engagement partner on the audit resulting in this independent auditor's report is ZHANG LINSHU.

### **SUYA WWC CPA Limited**

*Certified Public Accountants*

### **Zhang Linshu**

Practising Certificate Number: P08189

Unit 4 of the 27th Floor Wu Chung House  
213 Queen's Road East  
Wanchai Hong Kong

31 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Revenue</b>	5	<b>839,371</b>	1,253,462
Cost of sales		<b>(673,579)</b>	(1,095,625)
<b>Gross profit</b>		<b>165,792</b>	157,837
Other income	6	<b>11,835</b>	8,082
Other gains, net	7	<b>5,982</b>	7,496
Selling and distribution costs		<b>(103,449)</b>	(107,384)
Administrative expenses		<b>(109,155)</b>	(72,471)
Provision for impairment losses on trade and other receivables		<b>(22,076)</b>	(6,682)
Impairment on intangible assets		–	(55,238)
Impairment on goodwill		–	(37,556)
Impairment on investment in an associate		<b>(26,205)</b>	(41,833)
Impairment on property, plant and equipment		<b>(3,921)</b>	–
Finance costs	8	<b>(2,226)</b>	(4,346)
Share of results of an associate	18	<b>(795)</b>	1,347
<b>Loss before tax</b>	8	<b>(84,218)</b>	(150,748)
Income tax (expense)/credit	11	<b>(6,160)</b>	8,262
<b>Loss for the year</b>		<b>(90,378)</b>	(142,486)
<b>Other comprehensive (expense)/income</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Exchange differences on translation of the Company's financial statements to presentation currency		<b>(17,325)</b>	8,263
Fair value change of financial assets at fair value through other comprehensive (expense)/income		<b>(5,249)</b>	233
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on consolidation		<b>6,916</b>	2,108
<b>Other comprehensive (expense)/income for the year</b>		<b>(15,658)</b>	10,604
<b>Total comprehensive expense for the year</b>		<b>(106,036)</b>	(131,882)

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
<b>Loss/(profit) for the year attributable to:</b>			
Owners of the Company		(89,043)	(143,223)
Non-controlling interests		(1,335)	737
		<b>(90,378)</b>	<b>(142,486)</b>
<b>Total comprehensive (expense)/income attributable to:</b>			
Owners of the Company		(106,770)	(133,018)
Non-controlling interests		734	1,136
		<b>(106,036)</b>	<b>(131,882)</b>
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted	12	<b>RMB(0.07)</b>	RMB(0.18)

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Non-current assets</b>			
Investment properties	15	1,880	1,844
Right-of-use assets	16	11,581	25,534
Property, plant and equipment	17	79,281	82,668
Investment in an associate	18	46,000	73,000
Intangible assets	19	541	851
Goodwill	20	46,522	46,522
Financial assets at fair value through other comprehensive income ("FVTOCI")	21	58,969	3,652
Deferred tax assets	31(a)	1,546	1,404
		<b>246,320</b>	235,475
<b>Current assets</b>			
Inventories	22	24,953	34,937
Trade and other receivables	23	481,124	406,726
Fixed deposits with licensed banks	24	54,015	36,234
Bank balances and cash	25	98,121	54,213
Financial assets at fair value through profit or loss ("FVTPL")	26	38,350	–
Tax recoverable		7,755	6,589
		<b>704,318</b>	538,699
<b>Current liabilities</b>			
Trade and other payables	27	97,211	103,148
Interest-bearing borrowings	28	25,000	17,290
Lease liabilities	29	13,167	18,225
Tax payable		3,168	2,392
		<b>138,546</b>	141,055
<b>Net current assets</b>		<b>565,772</b>	397,644
<b>Total assets less current liabilities</b>		<b>812,092</b>	633,119

# Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Non-current liabilities</b>			
Lease liabilities	29	2,852	7,581
Provisions	30	450	847
Deferred tax liabilities	31(b)	136	213
		<b>3,438</b>	8,641
<b>NET ASSETS</b>		<b>808,654</b>	624,478
<b>Capital and reserves</b>			
Share capital	32	12,447	8,368
Reserves		785,099	601,003
Equity attributable to owners of the Company		<b>797,546</b>	609,371
Non-controlling interests	36	11,108	15,107
<b>TOTAL EQUITY</b>		<b>808,654</b>	624,478

These consolidated financial statements on pages 100 to 217 were approved and authorised for issue by the board of directors on 31 March 2026 and signed on its behalf by:

**Mr. Chen Yongzhong**  
*Director*

**Mr. Zhou Yue**  
*Director*

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the Company										Total equity RMB'000
	Share capital RMB'000 (Note 32)	Share premium RMB'000 (Note 35(a))	Capital reserve RMB'000 (Note 35(b))	Statutory reserves RMB'000 (Note 35(c))	Reserves				Non-controlling interests RMB'000 (Note 36)	Total RMB'000	
					Fair value reserve RMB'000 (Note 35(f))	Exchange reserve RMB'000 (Note 35(d))	Other reserve RMB'000 (Note 35(e))	Accumulated profits RMB'000			
At 1 January 2024	5,771	520,966	(10,923)	64	(1,147)	6,389	149	12,868	534,137	22,224	556,361
(Loss)/profit for the year	-	-	-	-	-	-	-	(143,223)	(143,233)	737	(142,486)
<b>Other comprehensive income/(loss)</b>											
<i>Item that will not be reclassified to profit or loss:</i>											
Exchange differences on translation of the Company's financial statements to presentation currency	-	-	-	-	-	8,263	-	-	8,263	-	8,263
Fair value change of financial assets at fair value through other comprehensive income	-	-	-	-	233	-	-	-	233	-	233
<i>Item that may be reclassified subsequently to profit or loss:</i>											
Exchange differences on consolidation	-	-	-	-	-	1,709	-	-	1,709	399	2,108
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	233	9,972	-	(143,223)	(133,018)	1,136	(131,882)
<b>Transactions with owners:</b>											
Contributions and distributions											
Issuance of shares in respect of placing, net of transactions costs (Notes 32(a) and 32(b))	2,597	205,525	-	-	-	-	-	-	208,122	-	208,122
Dividends	-	-	-	-	-	-	-	-	-	(3,086)	(3,086)
	2,597	205,525	-	-	-	-	-	-	208,122	(3,086)	205,036
Changes in ownership interests											
Disposal of subsidiaries (Note 38)	-	-	-	-	-	-	-	-	-	(4,646)	(4,646)
Acquisition of NCI	-	-	-	-	-	-	130	-	130	(521)	(391)
<b>Total transactions with owners</b>	2,597	205,525	-	-	-	-	130	-	208,252	(8,253)	199,999
At 31 December 2024	8,368	726,491	(10,923)	64	(914)	16,361	279	(130,355)	609,371	15,107	624,478

# Consolidated Statement of Changes in Equity

Year ended 31 December 2025

	Attributable to owners of the Company										
	Share capital	Share premium	Capital reserve	Statutory reserves	Reserves				Non-controlling interests	Total equity	
					Fair value reserve	Exchange reserve	Other reserve	Accumulated profits			
RMB'000 (Note 32)	RMB'000 (Note 35(a))	RMB'000 (Note 35(b))	RMB'000 (Note 35(c))	RMB'000 (Note 35(f))	RMB'000 (Note 35(d))	RMB'000 (Note 35(e))	RMB'000	RMB'000	RMB'000 (Note 36)	RMB'000	
At 1 January 2025	8,368	726,491	(10,923)	64	(914)	16,361	279	(130,355)	609,371	15,107	624,478
(Loss)/profit for the year	-	-	-	-	-	-	-	(89,043)	(89,043)	(1,335)	(90,378)
<b>Other comprehensive income/(loss)</b>											
<i>Item that will not be reclassified to profit or loss:</i>											
Exchange differences on translation of the Company's financial statements to presentation currency	-	-	-	-	-	(17,325)	-	-	(17,325)	-	(17,325)
Fair value change of financial assets at fair value through other comprehensive income	-	-	-	-	(5,249)	-	-	-	(5,249)	-	(5,249)
<i>Item that may be reclassified subsequently to profit or loss:</i>											
Exchange differences on consolidation	-	-	-	-	-	4,847	-	-	4,847	2,069	6,916
<b>Total comprehensive income/(loss) for the year</b>	-	-	-	-	(5,249)	(12,478)	-	(89,043)	(106,770)	734	(106,036)
<b>Transactions with owners:</b>											
Contributions and distributions											
Issuance of shares in respect of subscription, net of transactions costs (Note 32(c))	1,988	194,776	-	-	-	-	-	-	196,764	-	196,764
Contributions and distributions											
Issuance of shares in respect of placing, net of transactions costs (Note 32(d))	2,091	96,116	-	-	-	-	-	-	98,207	-	98,207
Dividends	-	-	-	-	-	-	-	-	-	(763)	(763)
	4,079	290,892	-	-	-	-	-	-	294,971	(763)	294,208
Changes in ownership interests											
Disposal of subsidiaries (Note 38)	-	-	-	-	-	-	(26)	-	(26)	(4,163)	(4,189)
Acquisition of NCI	-	-	-	-	-	-	-	-	-	(77)	(77)
Disposal of NCI	-	-	-	-	-	-	-	-	-	270	270
<b>Total transactions with owners</b>	4,079	290,892	-	-	-	-	(26)	-	294,945	(4,733)	290,212
At 31 December 2025	12,447	1,017,383	(10,923)	64	(6,163)	3,883	253	(219,398)	797,546	11,108	808,654

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Operating activities</b>			
Loss before tax		(84,218)	(150,748)
Adjustments for:			
Bank interest income	6	(1,196)	(935)
Bad debts written off	8	5,188	826
Depreciation of property, plant and equipment	17	8,006	5,926
Depreciation of investment properties	15	70	65
Depreciation of right-of-use assets	16	16,799	14,420
Amortisation of intangible assets	19	310	7,514
Finance costs		2,226	4,346
Gain on disposal of property, plant and equipment, net		(164)	(113)
Loss on disposal of an associate		–	44
(Gain)/loss on disposal of subsidiaries	38	(8,454)	44
Provision for impairment loss on trade and other receivables		22,076	6,682
Impairment loss on goodwill	20	–	37,556
Impairment loss on intangible assets	19	–	55,238
Impairment loss on investment in an associate	18	26,205	41,833
Fair value change of financial assets at FVTPL	26	(364)	–
Loss on disposal of FVTPL		3,000	–
Write down of inventories		177	120
Write-off of property, plant and equipment		7	208
Share of results of an associate		795	(1,347)
Impairment of property, plant and equipment		3,921	–
<b>Operating cash (outflow) inflows before movements in working capital</b>		<b>(5,616)</b>	<b>21,679</b>
Changes in working capital:			
Inventories		(368)	(2,972)
Trade and other receivables		(105,765)	(187,240)
Trade and other payables		22,441	33,764
Provisions		–	(64)
<b>Cash used in operations</b>		<b>(89,308)</b>	<b>(134,833)</b>
Income tax paid		(8,376)	(8,585)
Tax refund		1,860	–
<b>Net cash used in operating activities</b>		<b>(95,824)</b>	<b>(143,418)</b>

# Consolidated Statement of Cash Flows

Year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
<b>Investing Activities</b>			
Interest received		1,196	935
Increase in fixed deposits with licensed banks		(16,640)	(7,447)
Net cash inflow on acquisition of subsidiaries	37	–	326
Net cash (outflow)/inflow on disposal of subsidiaries	38	(808)	2,355
Purchase of property, plant and equipment		(16,101)	(74,006)
Purchase of financial assets at FVTOCI		(60,798)	(860)
Disposal of FVTPL		1,173	–
Purchase of FVTPL		(42,678)	–
Disposal of FVTOCI		480	–
Proceeds from disposal of property, plant and equipment		249	547
<b>Net cash used in investing activities</b>		<b>(133,927)</b>	<b>(78,150)</b>
<b>Financing activities</b>			
Proceeds from interest-bearing borrowings	40	22,000	17,290
Repayment of interest-bearing borrowings	40	(14,290)	(12,043)
Repayment of lease liabilities	40	(14,321)	(15,064)
Interest paid		(2,226)	(3,516)
Acquisition of non-controlling interests		(77)	(391)
Disposal of non-controlling interests		270	–
Dividends paid		(763)	(3,086)
Proceeds from issuance of shares in respect of subscription	32	196,764	–
Proceeds from issuance of shares in respect of placing	32	98,207	208,122
<b>Net cash generated from financing activities</b>		<b>285,564</b>	<b>191,312</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>55,813</b>	<b>(30,256)</b>
Cash and cash equivalents at the beginning of year		54,213	78,968
Effect on exchange rate changes		(11,905)	5,501
<b>Cash and cash equivalents at the end of year, represented by bank balances and cash</b>	25	<b>98,121</b>	<b>54,213</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 1. GENERAL INFORMATION

MOG Digitech Holdings Limited (the “**Company**”, together with its subsidiaries are collectively referred to as the “**Group**”) was incorporated as an exempted company with limited liability in the Cayman Islands on 4 June 2019. The registered office of the Company is situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Group’s headquarter is situated at Room 201, 2nd Floor, Tower 2, Hengye Plaza, No. 1666 Ziyu Road, Chaoyang New City, Xihu District, Nanchang City, Jiangxi Province, the People’s Republic of China (the “**PRC**”). The Company’s principal place of business in Hong Kong is located at Unit 1102, 11/F, 29 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company is an investment holding company and its subsidiaries are principally engaged in digital payment solutions related business, e-commerce and financing services in the PRC, optical product retail, and franchise and license management in Malaysia.

## 2. MATERIAL ACCOUNTING POLICIES

### **Basis of preparation and changes in accounting policies and disclosures**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS Accounting Standards**”) issued by the International Accounting Standards Board (the “**IASB**”), which collective term includes all applicable individual IFRS Accounting Standards, International Accounting Standards (“**IASs**”) and Interpretations issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).

The consolidated financial statements are presented in Renminbi (“**RMB**”) and all amounts have been rounded to the nearest thousand (“**RMB’000**”), unless otherwise indicated.

The consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2025 consolidated financial statements except for the adoption of the following amendments to IFRS Accounting Standards.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Adoption of amendments to IFRS Accounting Standards

The Group has applied, for the first time, the following amendments to IFRS Accounting Standards that are relevant to the Group:

Amendments to IAS 21                  Lack of Exchangeability

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

### Basis of measurement

The measurement basis used in the preparation of the consolidated financial statements is historical cost, except for financial assets at FVTOCI and financial assets at FVTPL which are stated at fair value.

For financial reporting purpose, 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.

A summary of the principal accounting policies adopted by the Group in preparing the consolidated financial statements is set out below.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee). Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Basis of consolidation (Continued)

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### Business combinations

Acquisitions of subsidiaries and businesses which are not under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are recognised in profit or loss as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. If, after assessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value on the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as bargain purchase gain.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Business combinations (Continued)

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. Measurement period does not exceed one year from the acquisition date. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounting for within equity. Contingent consideration that is classified as a financial liability is remeasured at subsequent reporting dates at fair value with corresponding gain or loss being recognised in profit or loss.

Changes in the value of the previously held equity interest recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Goodwill

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment. On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

### Investment in an associate

An associate is an entity over which the Group has a long-term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate less any impairment loss. When the Group's share of losses of an associate exceeds the Group's investment in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in an associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Investment in an associate (Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the investment in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing of the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) upon disposal/partial disposal of the relevant associate.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Property, plant and equipment

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

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

Computers and software	20%-40%
Furniture, fixtures and office equipment	10%-20%
Optical equipment	10%-20%
Motor vehicles	10%-20%
Leasehold improvements	10%-20%

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Intangible assets (other than goodwill)

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Credit facility contract	10 years
IT software platform	5 years

The assets' amortisation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Intangible assets with finite useful lives are tested for impairments.

### Financial instruments

#### Financial assets

##### Recognition and derecognition

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

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

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

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Financial assets (Continued)

##### Classification and measurement

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

On initial recognition, a financial asset is classified as (i) measured at amortised cost; (ii) debt investment measured at FVTOCI; (iii) equity investment measured at FVTOCI; or (iv) measured at FVTPL.

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

##### Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

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

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

The Group's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks, bank balances and cash, and financial assets at FVTOCI.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Financial assets (Continued)

##### Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets are classified as at fair value through profit or loss if they are acquired principally for the purpose of selling in the near term, or if they are part of a portfolio of identified financial instruments managed together for short term profit taking. Upon initial recognition, they are measured at fair value, and transaction costs are expensed in profit or loss. Subsequent changes in fair value are recognized in the consolidated statement of profit or loss. Dividends and interest income from such investments are recognized in profit or loss when the right to receive payment is established.

##### Financial assets at fair value through other comprehensive income (“FVTOCI”)

Debt instruments are classified as FVTOCI if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest. Equity instruments not held for trading may be irrevocably designated at FVTOCI at initial recognition. Subsequent changes in fair value are recognized in other comprehensive income. For debt instruments, gains or losses on disposal are recycled to profit or loss; impairment losses are recognized in profit or loss. For equity instruments, gains or losses on disposal are transferred directly to retained earnings without recycling to profit or loss. Dividends are recognized in profit or loss when the right to receive payment is established.

#### Fair Value Measurement

The Group measures certain financial assets at fair value. Fair value is determined using a three level hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data, requiring significant management judgment.

Non listed equity investments designated as FVTPL or FVTOCI are generally classified within Level 3 due to the absence of quoted market prices. Transfers between levels are recognized at the end of the reporting period in which they occur.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Financial liabilities

##### Recognition and derecognition

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

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

##### Classification and measurement

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

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

##### Impairment of financial assets

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

##### Measurement of ECL

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

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Impairment of financial assets (Continued)

##### Measurement of ECL (Continued)

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

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

- (i) past due information
- (ii) nature of instrument
- (iii) industry of debtors
- (iv) geographical location of debtors
- (v) external credit risk ratings

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

#### Definition of default

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

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

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Impairment of financial assets (Continued)

##### Assessment of significant increase in credit risk

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

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

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, except for the financial asset which the Group has reasonable and supportable information to demonstrate that previous non-payments were an administrative oversight, instead of resulting from financial difficulty of the borrower, or that there is no correlation between significant increases in the risk of a default occurring and financial assets on which payments are more than 30 days past due.

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Impairment of financial assets (Continued)

##### Low credit risk

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

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

As detailed in Note 41 to the consolidated financial statements, the Group's other receivables, fixed deposits with licensed banks and bank balances and cash are determined to have low credit risk.

##### Simplified approach of ECL

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

##### Credit-impaired financial asset

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired 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.
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Financial instruments (Continued)

#### Impairment of financial assets (Continued)

##### Credit-impaired financial asset (Continued)

- (e) the disappearance of an active market for that financial asset because of financial difficulties.
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

#### Write-off

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

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

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

#### Cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents represent short-term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers within IFRS 15

The Group adopts a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

#### Nature of goods or services

The nature of the goods or services provided by the Group are digital payment solutions related business, e-commerce, financing services, optical product retail and franchise and license management.

#### Identification of performance obligations

At contract inception, the Group assesses the goods or services promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer either:

- (a) a good or service (or a bundle of goods or services) that is distinct; or
- (b) a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

A good or service that is promised to a customer is distinct if both of the following criteria are met:

- (a) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer (i.e. the good or service is capable of being distinct); and
- (b) the Group's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract (i.e. the promise to transfer the good or service is distinct within the context of the contract).

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers within IFRS 15 (Continued)

##### Timing of revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.

The Group transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (b) the Group's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is not satisfied over time, the Group satisfies the performance obligation at a point in time when the customer obtains control of the promised asset. In determining when the transfer of control occurs, the Group considers the concept of control and such indicators as legal title, physical possession, right to payment, significant risks and rewards of ownership of the asset, and customer acceptance.

Optical product retail, digital payment solutions related business and e-commerce are recognised at a point in time at which the customer obtains the control of the promised asset, which generally coincides with the time when the goods are delivered to customers and the title is passed.

Financing services income is recognised over the time of the respective agreements.

Franchise fee income is recognised over the time of the respective franchise agreements.

Royalty fee income is recognised at a point in time when the right to receive payment is established.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Revenue recognition (Continued)

#### Revenue from contracts with customers within IFRS 15 (Continued)

##### Prepaid cards service income is recognised at a point in time when the right to receive payment is established

For the prepaid cards service income, the Group implements a contractual expiry policy for all prepaid cards. The customers may not utilise all of their contractual rights within the prepayment period and these unutilised prepayments are referred to as “breakage”. An expected amount of breakage is estimated by management based on the historical data of customers’ utilisation and expected future utilisation pattern of the Group’s prepaid cards and is recognised as revenue in proportion to the pattern of prepayments used by customers. After the recognition of revenue from prepayments provided and breakage, any residual contract liabilities at the end of the relevant service period are fully recognised as revenue in the consolidated statement of profit or loss and other comprehensive income.

#### Rental income

Rental income under operating leases is recognised when the properties are let out and on the straight-line basis over the lease term.

#### Loan interest income

Loan interest income is recognised on a time proportion basis, by reference to the principal amounts outstanding and the effective interest rates applicable.

#### Interest income

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Contract assets and contract liabilities

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the contract is presented as a contract asset, excluding any amounts presented as a receivable. Conversely, if a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional, before the Group transfers a good or service to the customer, the contract is presented as a contract liability when the payment is made or the payment is due (whichever is earlier). A receivable is the Group's right to consideration that is unconditional or only the passage of time is required before payment of that consideration is due.

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

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

The Group receives payments from the customers which are largely in line with the timing of revenue recognition and no significant contract assets are recognised. Contract liabilities in relation to advanced payments from customers are recognised under "Other payables".

### Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in RMB and rounded to the nearest thousands unless otherwise indicated. The Company's functional currency is Hong Kong dollar ("HK\$").

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Foreign currency translation (Continued)

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Inventories

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

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

### Impairment of other assets

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

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

Impairment losses recognised for cash-generating units, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Impairment of other assets (Continued)

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

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Leases

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

#### As lessee

The Group applies the recognition exemption to short-term leases and low-value asset leases. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

The Group has elected not to separate non-lease components from lease components, and accounts for each lease component and any associated non-lease components as a single lease component.

The Group accounts for each lease component within a lease contract as a lease separately. 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.

Amounts payable by the Group that do not give rise to a separate component are considered to be part of the total consideration that is allocated to the separately identified components of the contract.

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### As lessee (Continued)

The right-of-use asset is initially measured at cost, which comprises

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the Group; and
- (d) an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Subsequently, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Depreciation is provided on a straight-line basis over the shorter of the lease term and the estimated useful lives of the right-of-use asset (unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option).

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date of the contract.

The lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or rate;
- (c) amounts expected to be payable under residual value guarantees;

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### As lessee (Continued)

- (d) exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease, or where it is not readily determinable, the incremental borrowing rate of the lessee.

Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The lease liability is remeasured using a revised discount rate when there are changes to the lease payments arising from a change in the lease term or the reassessment of whether the Group will be reasonably certain to exercise a purchase option.

The lease liability is remeasured by using the original discount rate when there is a change in the residual value guarantee, the in-substance fixed lease payments or the future lease payments resulting from a change in an index or a rate (other than floating interest rate). In case of a change in future lease payments resulting from a change in floating interest rates, the Group remeasures the lease liability using a revised discount rate.

The Group recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

A lease modification is accounted for as a separate lease if:

- (a) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- (b) the consideration for the lease 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.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### As lessee (Continued)

When a lease modification is not accounted for as a separate lease, at the effective date of the lease modification,

- (a) the Group allocates the consideration in the modified contract on the basis of relative stand-alone price as described above.
- (b) the Group determines the lease term of the modified contract.
- (c) the Group remeasures the lease liability by discounting the revised lease payments using a revised discount rate over the revised lease term.
- (d) for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease and recognising any gain or loss relating to the partial or full termination of the lease in profit or loss.
- (e) for all other lease modifications, the Group accounts for the remeasurement of the lease liability by making a corresponding adjustment to the right-of-use asset.

The Group has applied the practical expedient provided in Amendments to IFRS 16: COVID-19-Related Rent Concessions, which has been early adopted by the Group since the year ended 31 March 2022 and does not assess whether eligible rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modification. The Group accounts for any change in lease payments resulting from the rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Leases (Continued)

#### As lessor – operating leases

Rental income from leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging a lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### Employee benefits

#### Short term employee benefits

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

#### Defined contribution plans

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independently administered fund.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Taxation

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

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

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

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

### Related parties

A related party is a person or entity that is related to the Group, that is defined as:

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a holding company of the Group.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Related parties (Continued)

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

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Segment reporting

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

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

### Critical accounting estimates and judgements

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

### Key sources of estimation uncertainty

#### (i) Useful lives of investment properties, intangible assets, property, plant and equipment and right-of-use assets

The management of the Group determines the estimated useful lives of the Group's investment properties, intangible assets, property, plant and equipment and right-of-use assets based on the historical experience of the actual useful lives of the relevant assets of similar nature and functions. The estimated useful lives could be different as a result of technical innovations which could affect the related depreciation charges included in profit or loss.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Critical accounting estimates and judgements (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (ii) Impairment of investment properties, goodwill, intangible assets, property, plant and equipment and right-of-use assets

The management of the Group determines whether the Group's investment properties, goodwill, intangible assets, property, plant and equipment and right-of-use assets are impaired when an indication of impairment exists. This requires an estimation of the recoverable amount of the relevant assets, which is equal to the higher of fair value less costs of disposal and value in use. Estimating the value in use requires the management to make an estimate of the expected future cash flows from the relevant assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Any impairment will be charged to profit or loss.

##### (iii) Allowance for inventories

The management of the Group reviews the inventory ageing analysis periodically and makes allowance for inventories that are identified as obsolete, slow-moving or no longer recoverable or suitable for sale. The Group carries out the inventory review on a product-by-product basis and makes allowance at the end of each reporting period by reference to management's estimation of the net realisable value based on the latest market prices and current market conditions.

##### (iv) Impairment losses on trade and other receivables

The management of the Group estimates the loss allowance for trade and other receivables by using various inputs and assumptions including risk of a default and expected loss rate. The estimation involves high degree of uncertainty which is based on the Group's historical information, existing market conditions as well as forward-looking estimates at the end of each reporting period. Where the expectation is different from the original estimate, such difference will impact the carrying amount of trade and other receivables.

##### (v) Discount rates for calculating lease liabilities – as lessee

The Group uses the lessee's incremental borrowing rates to discount future lease payments since interest rates implicit in the leases are not readily determinable. In determining the discounts rates for its leases, the Group refers to a rate that is readily observable as the starting point and then applies judgement and adjusts such observable rate to determine the incremental borrowing rate.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 2. MATERIAL ACCOUNTING POLICIES (Continued)

### Critical accounting estimates and judgements (Continued)

#### Key sources of estimation uncertainty (Continued)

##### (vi) Provisions for restoration costs

As explained in Note 30, the Group makes provision for restoration costs based on the best estimate of the expected costs to be incurred upon expiry of the respective rental agreements, which are subject to uncertainty and might differ from the actual costs incurred. Any increase or decrease in the provision would affect profit or loss in future periods.

##### (vii) Tax provision

The Group is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

##### (viii) Financial assets at fair Value through profit or loss

The Group designates certain non-listed equity investments as financial assets measured at fair value through profit or loss in accordance with IFRS 9. These investments are initially recognized at fair value. Subsequent changes in fair value are recognized in the consolidated statement of profit or loss. Transaction costs related to these investments are expensed as incurred. Dividends received from such investments are recognized in profit or loss when the right to receive payment is established.

#### Critical judgement made in applying accounting policies

##### Determination of lease terms of contracts with renewal options

The management of the Group determines the lease term for lease contracts in which it is a lease that includes renewal option. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognised.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 3. FUTURE CHANGES IN IFRS ACCOUNTING STANDARDS

At the date of authorisation of these consolidated financial statements, the IASB has issued the following new and amendments to IFRS Accounting Standards that are not yet effective for the current financial year, which the Group has not early adopted:

		<b>Effective for accounting periods beginning on or after</b>
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to IFRS 9 and IFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to IFRS Accounting standards	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IFRS 19	Amendments to Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to IAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	To be determined

The directors of the Company do not anticipate that the adoption of the new and amendments to IFRS Accounting Standards in future periods will have any material impact on the Group's consolidated financial statements.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION

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

Specifically, the Group’s reportable and operating segments are as follows:

- (1) Digital payment solutions related business;
- (2) Optical product retail, franchise and license management;
- (3) E-commerce; and
- (4) Financing services and money lending.

Prior to 1 January 2025, there were five reportable and operating segments, namely (i) digital payment solutions related business; (ii) optical product retail; (iii) franchise and license management; (iv) e-commerce; and (v) financing services.

From 1 January 2025, the management of the Group has changed the presentation of the information reported to the CODM, and segment reporting is updated to conform to this change. The management of the Group is of the view that this change of segment disclosure better reflects the Group’s financial performance and better aligns with the Group’s resource allocation.

### **Segment revenue and results**

Segment revenue represents revenue derived from digital payment solutions related business, optical product retail, franchise and license management, e-commerce financing services and money lending.

Segment results represent the loss before tax reported by each segment without allocation of other income and administrative expenses reported by corporate office, finance costs, impairment on goodwill, impairment on intangible assets, impairment on investment in an associate, provision for impairment losses on trade and other receivables, impairment on property, plant and equipment, share of results of an associate and income tax expense. This is the measure reported to the CODM of the Group for the purposes of resource allocation and performance assessment.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

The segment information provided to the CODM of the Group for the reportable segments for the years ended 31 December 2025 and 2024 are as follows:

#### Year ended 31 December 2025

	Digital payment solutions related business RMB'000	Optical product retail, franchise and license management RMB'000	E-commerce RMB'000	Financing services and money lending RMB'000	Total RMB'000
<b>Segment revenue</b>	522,279	191,385	108,680	17,027	839,371
<b>Segment results</b>	2,529	22,625	8,857	13,859	47,870
Unallocated other income					1,489
Unallocated administrative expenses					(75,851)
Unallocated other losses					(2,503)
Impairment on investment in an associate					(26,205)
Impairment on property, plant and equipment					(3,921)
Share of results of an associate					(795)
Provision for impairment losses on trade and other receivables					(22,076)
Finance costs					(2,226)
Loss before tax					(84,218)
Income tax expense					(6,160)
Loss for the year					(90,378)

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

Year ended 31 December 2024 (Re-presented)

	Digital payment solutions related business RMB'000	Optical product retail, franchise and license management RMB'000	E-commerce RMB'000	Financing services and money lending RMB'000	Total RMB'000
<b>Segment revenue</b>	1,008,159	174,209	59,587	11,507	1,253,462
<b>Segment results</b>	1,990	18,157	3,129	4,685	27,961
Unallocated other income					2,939
Unallocated administrative expenses					(44,836)
Unallocated other gains					7,496
Impairment on goodwill					(37,556)
Impairment on intangible assets					(55,238)
Impairment on investment in an associate					(41,833)
Share of results of an associate					1,347
Provision for impairment losses on trade and other receivables					(6,682)
Finance costs					(4,346)
Loss before tax					(150,748)
Income tax credit					8,262
Loss for the year					(142,486)

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION (Continued)

### Segment assets and liabilities

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

At 31 December 2025

	Digital payment solutions related business RMB'000	Optical product retail, franchise and license management RMB'000	E-commerce RMB'000	Financing services and money lending RMB'000	Unallocated RMB'000	Total RMB'000
<b>Assets</b>						
Reportable segment assets	190,508	163,166	72,714	265,792	258,458	950,638
<b>Liabilities</b>						
Reportable segment liabilities	15,789	42,528	61,979	3,045	18,643	141,984

At 31 December 2024 (Re-presented)

	Digital payment solutions related business RMB'000	Optical product retail, franchise and license management RMB'000	E-commerce RMB'000	Financing services and money lending RMB'000	Unallocated RMB'000	Total RMB'000
<b>Assets</b>						
Reportable segment assets	226,009	171,254	82,377	67,902	226,632	774,174
<b>Liabilities</b>						
Reportable segment liabilities	20,560	57,307	59,948	2,392	9,489	149,696

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION (Continued)

### Segment assets and liabilities (Continued)

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

- segment assets include investment properties, right-of-use assets, property, plant and equipment, goodwill, investment in an associate, intangible assets, inventories, trade and other receivables, fixed deposits with licensed banks and bank balances and cash. Other assets are not allocated to operating segments as these assets are managed on a corporate basis; and
- segment liabilities include trade and other payables, interest-bearing borrowing, lease liabilities and provisions. Other liabilities are not allocated to operating segments as these liabilities are managed on a corporate basis.

### Geographical information

The Group's revenue is derived from its operations in the PRC and Malaysia. Information about the Group's revenue from external customers is presented based on the location of operation of the Group. Information about the Group's non-current assets is presented based on physical location of the assets, in the case of property, plant and equipment, right-of-use assets and investment properties; based on the location of the operation, in the case of investment in an associate, intangible assets, goodwill, financial assets at FVTOCI, financial assets at FVTPL, other receivables and deferred tax assets.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION (Continued)

### Geographical information (Continued)

#### (a) Information about the Group's revenue from external customers

The revenue breakdown by geographical location, which is determined by the location of operation, is as follows:

	Year ended 31 December	
	2025	2024
	RMB'000	RMB'000
Revenue from:		
The PRC (exclude Hong Kong)	630,959	1,079,142
Malaysia	191,385	174,209
Hong Kong	17,027	111
	839,371	1,253,462

#### (b) Information about the Group's non-current assets

The Group's non-current assets breakdown by geographical location, which is determined by the location of assets, is as follows:

	At 31 December	
	2025	2024
	RMB'000	RMB'000
The PRC (exclude Hong Kong)	98,275	126,108
Malaysia	25,638	38,301
Hong Kong	122,407	71,066
	246,320	235,475

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 4. SEGMENT INFORMATION (Continued)

### Information about major customers

Details of the customers individually accounting for 10% or more of total revenue of the Group during the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Customer A (Note)	162,347	192,674
Customer B (Note)	–	160,712

Note:

Revenue from digital payment solutions related business.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 5. REVENUE

	2025 RMB'000	2024 RMB'000
<b>Revenue from contracts with customers within IFRS 15</b>		
Digital payment solutions related business	<b>522,279</b>	1,008,159
Optical product retail, franchise and license management	<b>191,385</b>	174,209
E-commerce	<b>108,680</b>	59,587
Financing services and money lending	<b>17,027</b>	11,507
	<b>839,371</b>	1,253,462
<b>Timing of revenue recognition:</b>		
A point in time	<b>822,277</b>	1,241,887
Over time	<b>17,094</b>	11,575
	<b>839,371</b>	1,253,462
<b>Type of transaction price:</b>		
Fixed price	<b>839,371</b>	1,253,462
Variable price	-	-
	<b>839,371</b>	1,253,462

The amount of revenue recognised for the year ended 31 December 2025 that was included in the contract liabilities at the beginning of the reporting period was approximately RMB15,776,000 (2024: approximately RMB4,682,000).

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 6. OTHER INCOME

	2025 RMB'000	2024 RMB'000
Bank interest income	1,196	935
Gain on debt purchase (Note ii)	3,062	–
Loan interest income	1,617	435
Interest income from convertible bonds	250	–
Interest income from other receivable	1,070	–
Rental income from investment properties	212	231
Service income	435	48
Sponsorship income (Note i)	1,838	2,564
Sundry income	2,155	3,869
	<b>11,835</b>	<b>8,082</b>

Notes:

- i. The sponsorship income represented the income received from the suppliers of the international brands of optical products.
- ii. The gain on debt purchase represented the gain derived from the acquisition of a loan receivable at a discount by a subsidiary of the Company, which was fully settled by the borrower during the year ended 31 December 2025.

## 7. OTHER GAINS, NET

	2025 RMB'000	2024 RMB'000
Gain on disposal of property, plant and equipment, net	164	113
Gain on disposal of an internally generated trademark in Malaysia	–	7,383
Gain on disposal of subsidiaries (Note 38)	8,454	–
Fair value changes on financial assets at FVTPL (Note 26)	364	–
Loss on disposal of financial assets at FVTPL (Note 26)	(3,000)	–
	<b>5,982</b>	<b>7,496</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 RMB'000	2024 RMB'000
<b>Finance costs</b>		
Interest on interest-bearing borrowings	877	3,512
Interest on lease liabilities	1,342	830
Interest on bank guarantee commission	7	4
	<b>2,226</b>	4,346
<b>Staff costs (including directors' remuneration)</b>		
Salaries, discretionary bonus, allowances and other benefits in kind	63,811	55,698
Contributions to defined contribution plans	6,376	4,551
	<b>70,187</b>	60,249
<b>Other items</b>		
Auditor's remuneration		
– Audit services	1,098	1,194
Cost of inventories	673,402	1,024,734
Amortisation of intangible assets	310	7,514
Depreciation of investment properties	70	65
Depreciation of property, plant and equipment	8,006	5,926
Depreciation of right-of-use assets	16,799	14,420
Impairment of goodwill	–	37,556
Impairment on intangible assets	–	55,238
Impairment on investment in an associate	26,205	41,833
Impairment on property, plant and equipment	3,921	–
Direct operating expenses arising from investment properties that generated rental income	1,837	1,737
Exchange loss, net	649	1,061
Gain on disposal of property, plant and equipment, net	(164)	(113)
Gain on disposal of an internally generated trademark in Malaysia	–	(7,383)
(Gain)/loss on disposal of subsidiaries (Note 38)	(8,454)	44
Loss on disposal of an associate	–	44
Loss on disposal of financial assets at FVTPL	3,000	–
Other rental and related expenses	15,023	1,960
Provision for impairment losses on trade and other receivables	22,076	6,682
Write down of inventories, net (included in "Cost of sales")	177	120
Write-off of property, plant and equipment	7	208
Bad debts written off	5,188	826

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 9. DIRECTORS' REMUNERATION

Directors' and chief executive officer's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

### Year ended 31 December 2025

	Notes	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Contribution to defined contribution plans RMB'000	Total RMB'000
<i>Executive directors</i>						
Mr. Deng Zhihua (Co-CEO)		331	-	-	-	331
Mr. Zhou Yue		331	-	-	-	331
Ms. Tang Tsz Yuet	(d)	331	-	-	-	331
Mr. Chen Yongzhong (Co-CEO)	(a)	331	773	-	11	1,115
Mr. Mo Mingdong	(c)	291	-	-	-	291
<i>Independent non-executive directors</i>						
Mr. Yau Tung Shing		132	-	-	-	132
Mr. Gao Hongxiang		132	-	-	-	132
Ms. Chen Wen	(b)	132	-	-	-	132
<b>Total</b>		<b>2,011</b>	<b>773</b>	<b>-</b>	<b>11</b>	<b>2,795</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 9. DIRECTORS' REMUNERATION (Continued)

Year ended 31 December 2024

	Notes	Directors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonus RMB'000	Contribution to defined contribution plans RMB'000	Total RMB'000
<i>Executive directors</i>						
Mr. Deng Zhihua (Co-CEO)		333	–	–	–	333
Mr. Zhou Yue		333	–	–	–	333
Ms. Tang Tsz Yuet	(d)	333	–	–	–	333
Mr. Chen Yongzhong (Co-CEO)	(a)	157	–	–	–	157
<i>Independent non-executive directors</i>						
Ms. Jiao Jie	(b)	80	–	–	–	80
Mr. Yau Tung Shing		133	–	–	–	133
Mr. Gao Hongxiang		133	–	–	–	133
Ms. Chen Wen	(b)	54	–	–	–	54
Total		1,556	–	–	–	1,556

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 9. DIRECTORS' REMUNERATION (Continued)

During the years ended 31 December 2025 and 2024, no emoluments were paid by the Group to any of these directors as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2025 and 2024.

- (a) Mr. Chen Yongzhong was appointed as an executive director and co-chief executive officer with effective from 12 July 2024.
- (b) Ms. Jiao Jie resigned and Ms. Chen Wen was appointed as an independent non-executive director with effective from 5 August 2024, respectively.
- (c) Mr. Mo Mingdong was appointed as an executive director with effective from 14 February 2025.
- (d) Ms. Tang Tsz Yuet resigned as an executive director with effective from 20 January 2026.
- (e) Ms. Datin Low Lay Choo (“**Ms. Datin Low**”) resigned as the co-chief executive officer of the Company with effect from 1 September 2025. The emoluments of Ms. Datin Low for the period from 1 January 2025 to 1 September 2025 was approximately RMB1,281,000 (2024: RMB2,263,000).

## 10. FIVE HIGHEST PAID INDIVIDUALS

An analysis of the five highest paid individuals during the years ended 31 December 2025 and 2024 is as follows:

	Number of individuals	
	2025	2024
Director	1	1
Non-director	4	4
	5	5

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 10. FIVE HIGHEST PAID INDIVIDUALS (Continued)

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

	2025 RMB'000	2024 RMB'000
Salaries, allowances and other benefits in kind	6,771	6,974
Discretionary bonus	887	856
Contributions to defined contribution plans	799	717
	<b>8,457</b>	8,547

The number of these non-director individuals whose emoluments fell within the following emoluments band is as follows:

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

During the years ended 31 December 2025 and 2024, no remuneration was paid by the Group to any of these highest paid non-director individuals as an inducement to join or upon joining the Group, or as a compensation for loss of office. There was no arrangement under which any of these highest paid non-director individuals waived or has agreed to waive any emoluments during the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 11. INCOME TAX EXPENSE/(CREDIT)

	2025 RMB'000	2024 RMB'000
<b>Current tax</b>		
Hong Kong profits tax	551	–
PRC enterprise income tax	210	2,397
Malaysia corporate income tax	6,157	5,540
	<b>6,918</b>	7,937
<b>Deferred tax</b>		
Changes in temporary differences	(758)	(16,199)
Total income tax expense/(credit) for the year	<b>6,160</b>	(8,262)

The Group is subject to Hong Kong profits tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year, one subsidiary of the Company which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (equivalent to RMB1,839,000) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. No provision for Hong Kong profits tax has been made as the Group had no assessable profits arising in or derived from Hong Kong for the years ended 31 December 2024. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

The Group's entities established in the Cayman Islands and the BVI are exempted from corporate income tax therein.

The Group's entities established in the PRC are subject to PRC enterprise income tax at a statutory rate of 25%.

Saved as disclosed below, Malaysia corporate income tax is calculated at 24% of the estimated assessable profits for the years ended 31 December 2025 and 2024.

For the year ended 31 December 2025, Malaysia incorporated entities with paid-up capital of RM2.5 million or less and having annual sales of not more than RM50 million enjoy tax rate of 17% on the first RM600,000 of the estimated assessable profits and remaining balance at tax rate of 24%.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 11. INCOME TAX EXPENSE/(CREDIT) (Continued)

### Reconciliation of income tax expense

A reconciliation of the tax expense applicable to loss before tax at the statutory/applicable rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rate is as follows:

	2025 RMB'000	2024 RMB'000
Loss before tax	<b>(84,218)</b>	(150,748)
Income tax at statutory tax rate applicable in respective territories	<b>(17,496)</b>	(48,627)
Tax exempt revenue	<b>(2,039)</b>	(35)
Non-deductible expenses	<b>23,424</b>	40,975
Over-provision of tax expense in prior year	<b>(432)</b>	(2,070)
Over-provision of deferred tax liabilities in prior year	<b>(767)</b>	(479)
Tax effect of losses not recognised	<b>3,470</b>	1,974
Income tax expense/(credit) for the year	<b>6,160</b>	(8,262)

## 12. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to owners of the Company is based on the following information:

	2025 RMB'000	2024 RMB'000
Loss for the year attributable to owners of the Company, used in basic and diluted loss per share calculation	<b>89,043</b>	143,223

	Number of shares	
	2025	2024
Weighted average number of ordinary shares for basic and diluted loss per share calculation	<b>1,221,278,356</b>	798,818,413

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 12. LOSS PER SHARE (Continued)

No adjustment has been made to basic loss per share as there was no dilutive potential ordinary shares of the Company outstanding during the year ended 31 December 2025 (2024: Nil).

## 13. DIVIDENDS

The Board of Directors does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES

Particular of the principal subsidiaries at the end of each reporting period are as follows:

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
<i>Directly held</i>					
Azure Sea Global Limited	Hong Kong, 16 October 2019	HKD1	100%	100%	Money lending/ Hong Kong
MOG (BVI) Limited	The BVI, 14 June 2019	Ordinary, United States Dollar ("USD") 1	100%	100%	Investment holding/ The BVI
Positive Oasis Limited	The BVI, 20 August 2021	Ordinary, USD10,000	100%	100%	Investment holding/ Hong Kong
Create Tune Development Limited	The BVI, 7 July 2022	Ordinary, USD50,000	100%	100%	Investment holding/ The BVI
<i>Indirectly held</i>					
Caxia Eyewear Sdn. Bhd.	Malaysia, 30 September 2015	Ordinary, RM100	70%	70%	Wholesaler and retailer of optical products/ Malaysia

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
Evershine Eyewear Sdn. Bhd. (Note b)	Malaysia, 3 April 2014	Ordinary, RM100	-	71%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Exon Eyewear Sdn. Bhd. (Note b)	Malaysia, 26 September 2017	Ordinary, RM100	-	60%	Retail sale of spectacles and other optical goods/Malaysia
Evershine Vision Care Sdn. Bhd. (formerly known as Eye Saver Sdn. Bhd.) (Note b)	Malaysia, 29 June 2018	Ordinary, RM100	-	65%	Retail sale of spectacles and other optical goods/Malaysia
Evershine Eye Care Sdn. Bhd. (Note b)	Malaysia, 8 April 2021	Ordinary, RM100	-	51%	Retail sale of spectacles and other optical goods/Malaysia
Evershine Gallery Sdn. Bhd. (Note b)	Malaysia, 4 May 2021	Ordinary, RM100	-	52%	Retail sale of spectacles and other optical goods/Malaysia
Fabulous Project Management Sdn. Bhd.	Malaysia, 21 May 2012	Ordinary, RM100,000	100%	51%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Lux Optical Sdn. Bhd.	Malaysia, 20 August 2013	Ordinary, RM100	75%	75%	Wholesaler and retailer of optical products/ Malaysia
M Optic Distribution Sdn. Bhd. (formerly known as M Optic Project & Event Sdn. Bhd.)	Malaysia, 10 March 2008	Ordinary, RM200	100%	100%	Professional event management and marketing services provider/Malaysia

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
Metro (SPY) Sdn. Bhd.	Malaysia, 13 June 2011	Ordinary, RM100	90%	90%	Trading in spectacle frames, lens and related eye care products/Malaysia
Metro Designer Eyewear Sdn. Bhd. ("Metro Designer Eyewear")	Malaysia, 23 June 1997	Ordinary, RM100,000	80%	80%	Retail sale of spectacles and other optical goods/Malaysia
Metro Eyewear Holdings Sdn. Bhd.	Malaysia, 28 March 1998	Ordinary, RM2,000,000	100%	100%	Wholesaler and retailer of optical products/ Malaysia
Metro RWG Sdn. Bhd.	Malaysia, 25 March 2010	Ordinary, RM100	60%	60%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
Modern Pride Sdn. Bhd. ("Modern Pride")	Malaysia, 22 March 2010	Ordinary, RM100,000	60%	60%	Wholesaler and retailer of optical products/ Malaysia
Modern Eyewear Sdn. Bhd. (Note b)	Malaysia, 2 October 2020	Ordinary, RM100	–	55%	Retail sale of spectacles and other optical goods/Malaysia
MOG (QBM) Sdn. Bhd. (Note b)	Malaysia, 23 August 2011	Ordinary, RM100	–	70%	Wholesaler and retailer of optical products/ Malaysia
MOG (TPU) Sdn. Bhd.	Malaysia, 3 August 2011	Ordinary, RM100	60%	60%	Wholesaler and retailer of optical products/ Malaysia

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
MOG Eyecity Sdn. Bhd.	Malaysia, 21 November 2017	Ordinary, RM100	100%	100%	Business of optometrists and dealers of all kinds of optical apparatus and related accessories/Malaysia
MOG Eyewear Sdn. Bhd.	Malaysia, 19 January 2005	Ordinary, RM100,000	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
MOG Eyewear (Kempas) Sdn. Bhd. (Note b)	Malaysia, 13 April 2017	Ordinary, RM100	–	60%	Dealer and retailer of optical products/Malaysia
MOG Eyewear Boutique Sdn. Bhd. (“MOG Eyewear Boutique”) (Note b)	Malaysia, 12 October 2007	Ordinary, RM50,000	–	70%	Business of trading and dealing in spectacle frames, sunglasses and eye care chemicals/Malaysia
Mighty Optic Distribution Sdn. Bhd. (formerly known as MOG Eyewear Distribution Sdn. Bhd.)	Malaysia, 5 January 2010	Ordinary, RM100	100%	100%	Retail sale of spectacles and other optical goods/Malaysia
MOG Eyewear Holdings (M) Sdn. Bhd.	Malaysia, 4 October 2001	Ordinary, RM100	100%	100%	Trading in spectacle frames, lenses and related eyes care products/Malaysia
MOG Glasses Sdn. Bhd.	Malaysia, 24 September 2020	Ordinary, RM100	100%	100%	E-commerce for optical products Malaysia
MOG (Hong Kong) Limited	Hong Kong, 15 June 2018	Ordinary, RM100	100%	100%	Provision of administrative support of the Group/ Hong Kong

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
MOG Management Sdn. Bhd.	Malaysia, 6 October 2008	Ordinary, RM100,000	100%	100%	Acquire and hold franchises dealing in optical products/ Malaysia
MOG Optometry (HK) Sdn. Bhd. (Note b)	Malaysia, 21 April 2003	Ordinary, RM100,000 Preference, RM157,500	–	100%	Wholesaler and retailer in optical products/ Malaysia
MW Technology Development Limited	The BVI, 20 February 2025	Ordinary, USD50,000	60%	–	Technology development/ Hong Kong
Optical Arts Sdn. Bhd. (Note b)	Malaysia, 7 May 2008	Ordinary, RM100,000	–	100%	Wholesaler and retailer of optical products/ Malaysia
Sky Trend Real Estates Limited	The BVI, 5 February 2020	Ordinary, USD1	100%	100%	Property holding/ Hong Kong
Star Well (BVI) Limited	The BVI, 12 March 2024	USD50,000	100%	100%	Investment holding/ Hong Kong
Success Optic Sdn. Bhd.	Malaysia, 3 August 2010	Ordinary, RM100	51%	51%	Wholesaler and retailer of optical products/ Malaysia
Unique Eyewear Sdn. Bhd. (Note b)	Malaysia, 3 November 2016	Ordinary, RM100	–	100%	Trading in spectacle frames, lenses and related eyes care products/Malaysia
Vivo Vision Sdn. Bhd. (Note b)	Malaysia, 26 August 2016	Ordinary, RM100	–	60%	Dealer and retailer of optical products/ Malaysia

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
WK Prestige Limited	Hong Kong, 3 January 2025	HKD10,000	100%	–	Provision of administrative support of the Group/ Hong Kong
Yicoyi Company Limited ("Yicoyi")	Hong Kong, 14 December 2017	Ordinary, HKD1,000,000	100%	100%	Investment holding/ Hong Kong
廣東鯤鵬數科供應鏈管理有限公司 (Guangdong Kunpeng Digital Supply Chain Management Co., Ltd.*)	The PRC, 9 August 2021	Registered capital RMB6,000,000	100%	100%	Trading of electronic hardware/the PRC
廣州坤棚數字貿易有限公司 (Guangzhou Kunpeng Digital Trading Co., Ltd.*)	The PRC, 5 July 2022	Registered capital RMB6,740,000	100%	100%	Trading of electronic hardware/the PRC
Positive Oasis (Hong Kong) Limited	Hong Kong, 14 September 2021	Ordinary, HKD10,000	100%	100%	Investment holding/ Hong Kong
深圳柏傲實業有限公司 Shenzhen Bao Industrial Co., Ltd.*	The PRC, 5 May 2022	Paid-up capital RMB5,000,000	100%	100%	Trading of electronic hardware and accounts receivable financing service/ the PRC
Create Tune (HK) Limited	Hong Kong, 22 July 2022	Ordinary, HKD10,000	100%	100%	Investment holding/ Hong Kong
江西馬力智能科技有限公司 (Jiang Xi Mali Intelligence Technology Company Limited* ("Jiang Xi Mali"))	The PRC, 9 August 2021	Paid-up capital, RMB10,000,000	100%	100%	E-commerce/the PRC

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 14. PARTICULAR OF PRINCIPAL SUBSIDIARIES (Continued)

Financial Name of subsidiary	Place and date of incorporation/ establishment	Issued/ Paid up capital	Attributable equity interest held by the Company		Principal activities/ place of operation
			31 December 2025	31 December 2024	
中保科技創新(珠海)有限公司 (Zhongbao Technology Creation (Zhuhai) Company Limited* ("Zhongbao Tech")) (Note a)	The PRC, 7 June 2021	Paid-up capital, RMB16,036,000	49%	49%	Provision of service to insurance companies, insurance intermediaries and other insurance participants with application of digital RMB/the PRC
Zhongbao Digitech (Overseas) Limited	The BVI, 18 June 2024	Ordinary, USD50,000	100%	100%	Investment holding/ Hong Kong

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

\* The English names of the PRC titles are translations of their Chinese names and included herein for identification purposes only. In the event of any inconsistency between the Chinese and English names, the Chinese name shall prevail.

Note:

- Notwithstanding the Group held only 49% equity interest in Zhongbao Tech, due to the fact that there is an agreement entered into for the Group to appoint majority of the board of the directors of Zhongbao Tech and other key management personnel of Zhongbao Tech and to control Zhongbao Tech's operation by making all significant strategic financial and operating decisions of Zhongbao Tech of which the operation is highly dependent on the Group (including supply all the merchandise, control the bank accounts and direct the strategic financial and operating activities etc.).
- During the year ended 31 December 2025, pursuant to a supplemental agreement dated 14 October 2025, the Group disposed of its equity interests in 13 subsidiaries for a total consideration of RM12,095,000 (approximately RMB20,425,000). These disposed subsidiaries are indicated as such in the table above.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 15. INVESTMENT PROPERTIES

	2025 RMB'000	2024 RMB'000
<b>Reconciliation of carrying amounts</b>		
At the beginning of the reporting period	1,844	1,801
Depreciation	(70)	(65)
Exchange realignment	106	108
<b>At the end of the reporting period</b>	<b>1,880</b>	1,844
Cost	3,582	3,384
Accumulated depreciation	(1,702)	(1,540)
<b>At the end of the reporting period</b>	<b>1,880</b>	1,844
<b>Fair value</b>	<b>3,632</b>	3,432

The investment properties consist of shoplots in Malaysia with expected useful lives of 50 years.

The fair value of investment properties are under Level 3 of the three-level fair value hierarchy as defined under IFRS 13. At the end of each reporting period, the fair value of investment properties was valued by an independent professional qualified valuer, who has relevant experience in the location and category of the Group's investment properties being valued, on an open market basis by comparison approach assuming sale with the benefit of vacant possession or by making reference to comparable sale evidence as available in the relevant market. Recent sale price of comparable properties in close proximity adjusted for differences in key valuation attributes, such as size and age, were used to value the investment properties. The most significant input into this valuation approach is the price per square feet. The fair value measurement was based on the highest and best use of the investment properties, which did not differ from their existing use.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 15. INVESTMENT PROPERTIES (Continued)

The details of the lease income from operating leases are set out in Note 6 to the consolidated financial statements.

Although the risks associated with rights that the Group retains in underlying assets are not considered to be significant, the Group employs strategies to further minimise these risks by ensuring all contracts include clauses requiring the lessee to compensate the Group when a property has been subjected to excess wear-and-tear during the lease term.

## 16. RIGHT-OF-USE ASSETS

	Shoplots RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Leased properties RMB'000	Total RMB'000
Reconciliation of carrying amounts					
– year ended 31 December 2024					
At 1 January 2024	24,578	1,829	178	–	26,585
Additions	10,775	3	–	7,353	18,131
Depreciation	(13,558)	(542)	(14)	(306)	(14,420)
Disposal of subsidiaries (note 38)	(6,131)	–	–	–	(6,131)
Exchange realignment	1,164	92	1	112	1,369
At 31 December 2024	16,828	1,382	165	7,159	25,534
Reconciliation of carrying amounts					
– year ended 31 December 2025					
At 1 January 2025	16,828	1,382	165	7,159	25,534
Additions	11,025	610	–	–	11,635
Depreciation	(12,535)	(595)	(15)	(3,654)	(16,799)
Disposal of subsidiaries (note 38)	(8,902)	(481)	–	–	(9,383)
Exchange realignment	718	98	5	(227)	594
At 31 December 2025	7,134	1,014	155	3,278	11,581

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 16. RIGHT-OF-USE ASSETS (Continued)

	Shoplots RMB'000	Motor vehicles RMB'000	Leasehold improvements RMB'000	Leased properties RMB'000	Total RMB'000
At 31 December 2024					
Cost	33,524	3,264	1,152	7,465	45,405
Accumulated depreciation	(16,696)	(1,882)	(987)	(306)	(19,871)
	16,828	1,382	165	7,159	25,534
At 31 December 2025					
Cost	18,479	2,537	1,217	7,152	29,385
Accumulated depreciation	(11,345)	(1,523)	(1,062)	(3,874)	(17,804)
	7,134	1,014	155	3,278	11,581

The Group leases several assets including shoplots, motor vehicles, leasehold improvements and leased properties.

The leases in respect of shoplots typically run for an initial period of 1 to 3 years (2024: 1 to 3 years) and the lease term of the remaining right-of-use assets are ranging from 2 to 5 years (2024: 4 to 5 years).

At 31 December 2025, certain leases in respect of shoplots which were entered into by the Group are secured by a corporate guarantee provided by the Company (2024: secured by a corporate guarantee provided by the Company).

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 17. PROPERTY, PLANT AND EQUIPMENT

	Computers and software RMB'000	Furniture, fixtures and office equipment RMB'000	Optical equipment RMB'000	Motor vehicles RMB'000	Leasehold Improvements RMB'000	Leasehold land and building RMB'000	Construction in progress RMB'000	Total RMB'000
Reconciliation of carrying amounts – year ended 31 December 2024								
At 1 January 2024	741	7,450	6,120	350	2,619	–	–	17,280
Additions	297	7,652	648	–	641	64,768	–	74,006
Disposals	(189)	(41)	(204)	–	–	–	–	(434)
Written off	(3)	(159)	(45)	–	(1)	–	–	(208)
Depreciation	(332)	(1,859)	(1,073)	(159)	(639)	(1,864)	–	(5,926)
Disposal of subsidiaries (Note 38)	(107)	(1,833)	(1,281)	–	(786)	–	–	(4,007)
Exchange realignment	204	345	297	16	93	1,002	–	1,957
<b>At 31 December 2024</b>	<b>611</b>	<b>11,555</b>	<b>4,462</b>	<b>207</b>	<b>1,927</b>	<b>63,906</b>	<b>–</b>	<b>82,668</b>
Reconciliation of carrying amounts – year ended 31 December 2025								
At 1 January 2025	611	11,555	4,462	207	1,927	63,906	–	82,668
Additions	10	2,181	568	2,415	2,620	–	8,307	16,101
Disposals	–	(7)	(30)	(48)	–	–	–	(85)
Written off	(3)	(3)	(1)	–	–	–	–	(7)
Impairment	–	–	–	–	–	(3,921)	–	(3,921)
Depreciation	(465)	(2,361)	(1,122)	(206)	(1,072)	(2,780)	–	(8,006)
Disposal of subsidiaries (Note 38)	(87)	(2,990)	(1,951)	–	(799)	–	–	(5,827)
Exchange realignment	803	301	197	(51)	(122)	(2,590)	(180)	(1,642)
<b>At 31 December 2025</b>	<b>869</b>	<b>8,676</b>	<b>2,123</b>	<b>2,317</b>	<b>2,554</b>	<b>54,615</b>	<b>8,127</b>	<b>79,281</b>
At 31 December 2024								
Cost	2,458	16,936	9,435	963	4,161	65,800	–	99,753
Accumulated depreciation	(1,847)	(5,381)	(4,973)	(756)	(2,234)	(1,894)	–	(17,085)
	611	11,555	4,462	207	1,927	63,906	–	82,668
At 31 December 2025								
Cost	3,022	12,141	4,425	3,275	4,724	62,983	8,127	98,697
Accumulated depreciation	(2,153)	(3,465)	(2,302)	(958)	(2,170)	(8,368)	–	(19,416)
	869	8,676	2,123	2,317	2,554	54,615	8,127	79,281

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 18. INVESTMENT IN AN ASSOCIATE

	2025 RMB'000	2024 RMB'000
<b>Unlisted investment</b>		
Cost of investment	<b>106,168</b>	106,168
Share of post-acquisition profits of an associate	<b>7,870</b>	8,665
Accumulated impairment	<b>(68,038)</b>	(41,833)
	<b>46,000</b>	73,000

### Impairment assessment

At the end of the reporting period, the Group performed impairment assessment on the Group's investment in an associate in relation to those investments that have impairment indicators, after taking into account the financial performance and financial position of the associate and the unfavorable business outlook of the associate.

The Group performed the assessment of the recoverable amount (the higher of value in use and fair value less costs of disposal) of the relevant associate when there are any indicators for an impairment of an associate.

In determining the impairment assessments, the management of the Company is responsible to determine the appropriateness of valuation techniques and inputs for the impairment assessments. The management established the appropriate valuation techniques, key assumptions, inputs and data to the model including average five year growth rate at 23.0% (2024: 72.6%), discount rate at 13.0% (2024: 13.0%) and terminate growth rate at 3.0% (2024: 3.0%) for the year ended 31 December 2025.

For the purpose of impairment testing, the recoverable amounts for the cash generating unit were determined based on value-in-use calculations covering a detailed five-year budget plan followed by an extrapolation of expected cash flows at the growth rates.

For the year ended 31 December 2025 and 2024, the Group appointed an independent professional qualified valuer, to assist the management on carrying out the relevant assessment works.

During the year ended 31 December 2025, the Group recognised an impairment loss of approximately RMB26,205,000 (2024: RMB41,833,000) that was charged to profit or loss as described above.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 18. INVESTMENT IN AN ASSOCIATE (Continued)

### Impairment assessment (Continued)

Particulars of the Group's associate are as follows:

Name	Particulars of registered capital	Place of incorporation and business	Percentage of ownership interest attributable to the Group		Principal activities
			2025	2024	
Beijing Yuntu Digital Technology Company Limited* 北京雲圖數智科技有限公司 (“Yuntu”)	RMB100,000,000	PRC	29	29	Provide comprehensive solutions for smart cities in PRC

The Group's shareholdings in the associate's equity shares are indirectly held by the Company through a wholly-owned subsidiary.

The Group's associate is accounted for using the equity method in the consolidated financial statements.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 18. INVESTMENT IN AN ASSOCIATE (Continued)

Yuntu	2025 RMB'000	2024 RMB'000
Non-current assets	130	209
Current assets	56,898	60,703
Current liabilities	(26,521)	(27,662)
Net assets	30,507	33,250
Reconciliation to the Group's investment in an associate:		
Group's share of net assets of the associate	29%	29%
Carrying amount of the investment	8,847	9,642
Goodwill	37,153	63,358
Carrying amount of the Group's investment	46,000	73,000
Revenue	36,469	20,853
(Loss)/profit for the year	(2,743)	4,645
Total comprehensive (expense)/income for the year	(2,743)	4,645
Group's share of (loss)/profit of an associate	(795)	1,347

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 19. INTANGIBLE ASSETS

	IT software platform RMB'000	Credit facility contract RMB'000	Total RMB'000
Reconciliation of carrying amounts – year ended 31 December 2024			
At 1 January 2024	1,161	62,442	63,603
Amortisation	(310)	(7,204)	(7,514)
Impairment	–	(55,238)	(55,238)
At 31 December 2024	851	–	851
<b>Reconciliation of carrying amounts – year ended 31 December 2025</b>			
At 1 January 2025	<b>851</b>	–	<b>851</b>
Amortisation	<b>(310)</b>	–	<b>(310)</b>
<b>At 31 December 2025</b>	<b>541</b>	–	<b>541</b>
At 31 December 2024			
Cost	1,548	72,048	73,596
Accumulated amortisation	(697)	(16,810)	(17,507)
Accumulated impairment	–	(55,238)	(55,238)
	851	–	851
<b>At 31 December 2025</b>			
Cost	<b>1,548</b>	<b>72,048</b>	<b>73,596</b>
Accumulated amortisation	<b>(1,007)</b>	<b>(16,810)</b>	<b>(17,817)</b>
Accumulated impairment	–	<b>(55,238)</b>	<b>(55,238)</b>
	<b>541</b>	–	<b>541</b>

The IT Software Platform and credit facility contract have finite useful life and are amortised on a straight-line basis over the terms of 5 years and 10 years respectively.

As at 31 December 2024, the credit facility contract was expired due to the financier's decision not to renew the credit facility. Accordingly, the carrying value in respect of the credit facility contract was fully impaired during the year ended 31 December 2024.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 20. GOODWILL

	e-Commerce trading business RMB'000	Credit financing services RMB'000	Total RMB'000
Cost			
At 1 January 2024	87,164	84,953	172,117
Addition	231	–	231
31 December 2024, 1 January 2025 and 31 December 2025	87,395	84,953	172,348
Accumulated impairment			
At 1 January 2024	(31,277)	(56,993)	(88,270)
Charge for the year	(9,596)	(27,960)	(37,556)
At 31 December 2024 and 1 January 2025	<b>(40,873)</b>	<b>(84,953)</b>	<b>(125,826)</b>
Charge for the year	–	–	–
At 31 December 2025	<b>(40,873)</b>	<b>(84,953)</b>	<b>(125,826)</b>
Carrying values			
At 31 December 2025	<b>46,522</b>	–	<b>46,522</b>
At 31 December 2024	46,522	–	46,522

For the purpose of impairment assessment, the goodwill and intangible assets (note 19) has been allocated to the CGU of e-Commerce trading and credit financing services.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 20. GOODWILL (Continued)

The recoverable amounts of the CGUs have been determined based on value in use calculations covering a five-year budget followed by an extrapolation of expected cash flows at the growth rates approved by the directors of the Company. The following table sets forth each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill and intangible assets as at 31 December 2025 and 31 December 2024:

	2025		2024	
	e-Commerce trading business	Credit financing services	e-Commerce trading business	Credit financing services
Average growth rate within the five-year period	12.0%	N/A	16%	0%
Pre-tax discount rate	14.0%	N/A	13.0%	16.0%
Terminal growth rate	3.0%	N/A	3.0%	3.0%

The recoverable amounts of the subsidiaries acquired subceeded their carrying values accordingly. During the year ended 31 December 2025, no impairment provision have been made for the CGUs of e-commerce trading business and credit financing services (2024: approximately RMB9,596,000 and RMB27,960,000, respectively). The directors of the Group believes that any reasonably possible changes in the key estimation of the VIU calculations would not cause the carrying amounts to exceed its recoverable amounts.

For the years ended 31 December 2025 and 2024, the Group appointed an independent professional qualified valuer, to assist the management on carrying out the relevant assessment works.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 21. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

### Non-Current Assets

	2025 RMB'000	2024 RMB'000
Equity investments in listed entities	5,421	3,652
Equity investments in unlisted entities	53,548	–
	<b>58,969</b>	3,652

### Movement of financial assets at FVTOCI:

	2025 RMB'000	2024 RMB'000
As at 1 January	3,652	2,369
Additions	60,798	860
Disposals	(480)	–
Changes in fair value	(5,249)	233
Currency translation differences	248	190
As at 31 December	<b>58,969</b>	3,652

The above equity investments in listed and unlisted entities represent ordinary shares of an entity listed in Malaysia and the Group's investments in unlisted companies, respectively.

The equity investments in unlisted entities represent the Group's investments in unlisted companies, including holding approximately 5.1% of equity interests in KUN International Group Limited, 5% of equity interests in Luckyins Technology (Hong Kong) Co., Limited, and 40% of equity interests in First Achiever Ventures Limited ("**First Achiever**"). Notwithstanding the Group held 40% equity interest in First Achiever, due to the fact that there is a shareholders agreement entered into for the Group with other shareholder that the Group shall not be regarded to have any significant influence or control over First Achiever, therefore it is recorded as financial assets at FVTOCI.

Note: The fair value measurement of the listed investments is classified as level 1 fair value measurement which is based on the quoted price available from the relevant stock exchanges. The fair value measurement of the unlisted investments is classified as level 2 and level 3 fair value measurement which is based on market valuation technique valued by an independent professional valuer.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 22. INVENTORIES

	2025 RMB'000	2024 RMB'000
Merchandise	27,793	36,866
Less: Provision for inventories	(2,840)	(1,929)
	<b>24,953</b>	34,937

During the years ended 31 December 2025 and 2024, there was a decrease in the net realisable value of certain merchandise due to obsolescence and diminishing marketability as a result of changes in the market condition. Therefore, a write-down of approximately RMB177,000 (2024: approximately RMB120,000) has been recognised in profit or loss.

## 23. TRADE AND OTHER RECEIVABLES

	Notes	2025 RMB'000	2024 RMB'000
<b>Trade receivables</b>			
From third parties		40,505	48,893
Less: Impairment losses		(7,224)	(4,543)
	(a)	<b>33,281</b>	44,350
<b>Other receivables</b>			
Deposits paid		106,193	174,388
Prepayments		32,102	31,792
Refundable rental and other related deposits		2,544	12,926
Other receivables		63,939	55,463
Loan receivables	(b)	281,463	106,810
Less: Impairment losses		(38,398)	(19,003)
		<b>447,843</b>	362,376
		<b>481,124</b>	406,726

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 23. TRADE AND OTHER RECEIVABLES (Continued)

### (a) Trade receivables

The ageing of trade receivables, net of impairment losses, based on the date of delivery of goods at the end of each reporting period is as follows:

	2025 RMB'000	2024 RMB'000
Within 30 days	9,741	23,777
31 to 60 days	5,755	5,140
61 to 90 days	7,017	4,802
91 to 120 days	1,564	885
121 to 360 days	7,695	8,632
Over 361 days	1,509	1,114
	<b>33,281</b>	44,350

At the end of each reporting period, the ageing analysis of the trade receivables, net of impairment losses, by due date is as follows:

	2025 RMB'000	2024 RMB'000
Not yet due	9,741	23,777
Past due:		
Within 30 days	5,755	5,140
31 to 60 days	7,017	4,802
61 to 90 days	1,564	885
91 to 120 days	7,695	8,632
Over 121 days	1,509	1,114
	<b>23,540</b>	20,573
	<b>33,281</b>	44,350

The Group normally grants credit term to third parties ranges from 30 to 60 days (2024: ranges from 30 to 60 days) from the date of delivery of goods.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 23. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Loan receivables

The loan receivables had contractual maturity dates between 2 months to 12 months. The interest rates for the fixed rate loan receivables ranged from 2% per annum to 12% per annum (2024: ranged from 2% per annum to 10% per annum). At 31 December 2025, the carrying amount of loan receivables was approximately RMB255,578,000 (2024: RMB92,551,000).

Below is the detailed breakdown of the outstanding loan receivables in gross as of 31 December 2025 and 2024:

	Outstanding receivable amount as at 31 December 2025 RMB'000	Percentage to total outstanding Amount 2025	Outstanding receivable amount as at 31 December 2024 RMB'000	Percentage to total outstanding Amount 2024	Maturity date	Effective interest rate
Borrower A (Note a)	25,194	8.9%	26,320	24.6%	23 October 2025	10%
Borrower B	9,900	3.5%	9,900	9.3%	17 April 2026	4.35%
Borrower C	4,700	1.7%	4,700	4.4%	17 February 2026	3.45%
Borrower D	13,497	4.8%	14,200	13.3%	21 November 2026	8%
Borrower E	51,690	18.4%	51,690	48.4%	31 December 2026	2%
Borrower F	35,991	12.8%	–	–	12 March 2026 – 18 March 2026	8%
Borrower G	35,001	12.4%	–	–	10 March 2026	8%
Borrower H	37,101	13.2%	–	–	10 March 2026	8%
Borrower I	25,201	8.9%	–	–	23 March 2026	8%
Borrower J	13,496	4.8%	–	–	23 March 2026	12%
Borrower K	8,097	2.9%	–	–	11 February 2026	12%
Borrower L	12,596	4.5%	–	–	26 March 2026 – 1 January 2027	12%
Borrower M	8,999	3.2%	–	–	1 March 2027 – 1 August 2027	8%
<b>Total</b>	<b>281,463</b>	<b>100.0%</b>	<b>106,810</b>	<b>100.0%</b>		

Note:

- (a) The loan was secured by a chattel mortgage over a wine collection and matured on 23 October 2025. Subsequent to the reporting period, on 19 January 2026, the loan was fully settled by way of transfer of the wine collateral, and title to the wine was transferred to the Company.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 23. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Loan receivables (Continued)

In addition, below is the aging analysis of the outstanding loan and interest receivables.

	As at 31 December 2025 RMB'000	As at 31 December 2024 RMB'000
Not yet due	204,620	42,375
Past due		
– Within 30 days	–	–
– 31 to 90 days	25,194	–
– 91 to 120 days	–	–
– 121 to 360 days	–	15,177
– Over 360 days	68,476	51,690
Total of past due	93,670	66,867
Total (Note)	298,290	109,242

Note: The total amount, including the loan principal of approximately RMB281,463,000 (2024: RMB106,810,000), along with the outstanding interest receivable of approximately RMB16,827,000 (2024: RMB2,432,000), where the interest receivable amount has been classified as other receivables in the financial statements.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 23. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Loan receivables (Continued)

#### Movements of Impairments of the Loan Receivables

Below are the changes in the impairment of loan receivables:

	2025 RMB'000	2024 RMB'000
Outstanding loan receivables (before accumulated expected credit loss (“ECL”) allowance)	281,463	106,810
<b>Accumulated ECL allowance</b>		
As at 1 January	14,259	11,973
Recognition of ECL for the year	11,626	2,286
As at 31 December	25,885	14,259
Outstanding loan receivables (after accumulated expected credit loss (“ECL”) allowance)	255,578	92,551

The Group, based on the applicable accounting standards, applies the general approach, which is generally referred to as the “three-stage” model under the International Financial Reporting Standard 9 “Financial Instrument”, in with the ECL of the loan receivables are determined based on (i) the changes in credit quality of the loan receivables since initial recognition; and (ii) the estimated expectation of an economic loss of the loan receivables under consideration.

# Notes to the Consolidated Financial Statements

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## 23. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Loan receivables (Continued)

#### Movements of Impairments of the Loan Receivables (Continued)

Under the general approach, there are two measurement bases for allowance of ECL: (a) 12-month ECL, which is the ECL that results from default events that are possible within 12 months after the reporting date and are calculated as the allowance for ECL on a loan receivable weighted by the probability of default accumulated over the 12 months after the reporting date; (b) lifetime ECL, which are the ECL that result from all possible default events over the expected life of a loan receivable and are calculated as the allowance for ECL on a loan receivable weighted by the probability of default accumulated over the entire life of the loan receivable.

The allowance for ECL on loan receivables is derived from gross credit exposure, recovery rate, and probability of default. The Group uses the following ECL formula to calculate this allowance.

Expected default rate  $\times$  exposure at default  $\times$  (1 – recovery rate)  $\times$  discount factor

For ECL assessment, the Group's loan receivables are classified as follows:

- (a) Stage 1 (Performing) includes loan receivables that have not had a significant increase in credit risk since initial recognition or have low credit risk at the reporting date. For these loan receivables, 12-month ECL are recognised.
- (b) Stage 2 (Underperforming) includes loan receivables that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these loan receivables, lifetime ECL are recognised.
- (c) Stage 3 (Non-performing) includes loan receivables that have objective evidence of impairment and are considered as credit-impaired financial assets at the reporting date. For these loan receivables, lifetime ECL are recognised.

As at 31 December 2025, an aggregate amount of impairment for the ECL of approximately RMB25,885,000 (2024: RMB14,259,000) was recognised on loan receivables.

# Notes to the Consolidated Financial Statements

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## 23. TRADE AND OTHER RECEIVABLES (Continued)

### (b) Loan receivables (Continued)

#### Movements of Impairments of the Loan Receivables (Continued)

The Group engaged Win Bailey Valuation and Advisory Limited as the independent professional valuer (the “Valuer”) to assess the ECL. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Valuer and its ultimate beneficial owners are independent third parties and not connected with the Company and its connected persons (as defined under the Listing Rules).

## 24. FIXED DEPOSITS WITH LICENSED BANKS

	2025 RMB'000	2024 RMB'000
Fixed deposits – pledged	2,640	2,433
Fixed deposits – non-pledged	51,375	33,801
	<b>54,015</b>	36,234

The carrying amounts of fixed deposits with licensed banks are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RM	49,706	34,254
HK\$	661	1,144
Singapore dollar (“SGD”)	451	129
USD	3,197	707
	<b>54,015</b>	36,234

At 31 December 2025, fixed deposits with licensed banks of approximately RMB2,640,000 (2024: RMB2,433,000) are pledged as securities for a banking facility granted to the Group. None of such facility was utilised by the Group at 31 December 2025.

The fixed deposits with licensed banks generally have maturity periods over three months but less than one year and bearing effective annual interest rates ranging from 2.05% to 2.60% for the year ended 31 December 2025 (2024: 2.3% to 2.9%).

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 25. BANK BALANCES AND CASH

Cash at banks earn interest at floating rates based on daily bank deposit rates. The carrying amounts of bank balances and cash are denominated in the following currencies:

	2025 RMB'000	2024 RMB'000
RM	25,403	35,194
HK\$	41,947	11,440
SGD	103	12
USD	1,509	71
RMB	29,159	7,496
	<b>98,121</b>	54,213

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

## 26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Notes	2025 RMB'000	2024 RMB'000
Financial assets at FVTPL			
Unlisted investment funds	a	23,359	–
Unlisted convertible bonds	b	14,033	–
Unlisted equity investments	c	958	–
		<b>38,350</b>	–

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The movement of the financial assets at fair value through profit or loss is set out below:

	Notes	2025 RMB'000	2024 RMB'000
As at 1 January		–	–
Additions		42,678	–
Disposals and others	c & d	(4,789)	–
Changes in fair value	d	364	–
Currency translation differences		97	–
As at 31 December		38,350	–

Note:

- (a) The balance represents the Group's investment in an unlisted segregated portfolio fund, namely OPEN AM QUALITY SELECTION SERIES SPC-OAM FUND SP4. The fair value of the investment fund is determined based on the net asset value (NAV) provided by the fund administrator and is classified as level 2 fair value measurement.
- (b) The balance represents the Group's investment in convertible bonds issued by Wise Prestige (Hong Kong) Limited, an independent third party. The contractual cash flows of the convertible bonds do not represent solely payments of principal and interest, thus they are mandatorily measured at FVTPL. The fair value was determined by an independent professional valuer using the Binomial Tree pricing model and is classified as level 3 fair value measurement.
- (c) The balance represents the Group's 7.5% equity interest in Hong Kong Chengdu Restaurant Co., Limited. During the year ended 31 December 2025, the Group acquired a 15% equity interest in this entity and subsequently disposed of a 7.5% equity interest. The remaining investment is measured at FVTPL valued by income-based approach by an independent professional valuer and is classified as level 3 fair value measurement.
- (d) During the year ended 31 December 2025, the Group subscribed for an interest in an unlisted investment fund, namely SV World Liberty Financial LLC, at a principal amount of USD500,000. During the year, the investment fund was disposed in full. This resulted in a realized fair value loss of approximately RMB3,000,000 recognized in profit or loss.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 27. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
<b>Trade payables to third parties (Note (a))</b>	<b>24,491</b>	26,019
<b>Other payables</b>		
Contract liabilities (Note (c))	<b>19,714</b>	21,296
Salaries and allowances payable	<b>1,006</b>	1,414
Accrued charges and other payables	<b>51,783</b>	53,529
Amounts due to minority interests of subsidiaries (Note (b))	<b>217</b>	890
	<b>72,720</b>	77,129
	<b>97,211</b>	103,148

The trade payables are interest-free and normal credit terms up to 180 days.

Notes:

- (a) At the end of each reporting period, the ageing analysis of the trade payables based on invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Within 30 days	<b>10,724</b>	13,303
31 to 60 days	<b>7,147</b>	5,114
61 to 90 days	<b>1,585</b>	5,030
91 to 120 days	<b>618</b>	1,851
Over 121 days	<b>4,417</b>	721
	<b>24,491</b>	26,019

- (b) The amounts due are non-trade in nature, unsecured, interest-free and repayable on demand.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 27. TRADE AND OTHER PAYABLES (Continued)

Notes: (Continued)

(c) Contract liabilities

The movements (excluding those arising from increases and decreases both occurred within the same reporting period) of contract liabilities from contracts with customers within IFRS 15 during the years ended 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	21,296	4,856
Receipt of advance payments	147,271	21,944
Recognised as revenue	(146,075)	(4,682)
Disposal of subsidiaries	(2,977)	(818)
Advanced payments forfeited	(19)	(263)
Exchange realignment	218	259
At the end of the reporting period	19,714	21,296

The Group applies the practical expedient and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 28. INTEREST-BEARING BORROWING

At the end of each reporting period, details of the interest-bearing borrowing of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Bank borrowings	25,000	17,290
	25,000	17,290

At 31 December 2025, the unsecured bank borrowings carried weighted average effective interest rate of approximately 3.71% per annum (2024: 3.94% per annum). The interest-bearing borrowings represent fixed rate borrowings.

At the end of each reporting period, details of the maturity of interest-bearing borrowing of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Carrying amounts of the above borrowing are repayable: Within one year	25,000	17,290
	25,000	17,290

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 29. LEASE LIABILITIES

	2025 RMB'000	2024 RMB'000
Analysed for reporting purposes:		
Current liabilities	13,167	18,225
Non-current liabilities	2,852	7,581
	16,019	25,806

The leases of certain premises for retail stores in Malaysia call for additional rentals, which will be based on a certain percentage of revenue of the operations being undertaken therein pursuant to the terms and conditions as stipulated in the respective tenancy agreements. As the future revenue of these retail stores could not be accurately determined as at the end of the reporting period, the relevant contingent rental has not been included. Such variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liabilities and therefore are charged to profit or loss (included in “other rental and related expenses”) in the accounting period in which they are incurred.

Certain leases impose a restriction that the right-of-use assets can only be used by the Group. For leases over shoplots, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

The total cash outflow for leases (including other rental and related expenses in Note 8) for the year ended 31 December 2025 was approximately RMB15,663,000 (2024: approximately RMB17,024,000).

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 29. LEASE LIABILITIES (Continued)

Commitments and present value of lease liabilities:

	Lease payments		Present value of lease payments	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Amounts payable:				
Within one year	13,699	18,795	13,167	18,225
More than one year, but not exceeding two years	2,364	6,658	2,288	6,473
More than two years, but not exceeding five years	689	1,127	564	1,108
	16,752	26,580		
Future finance charges	(733)	(774)		
Present value of lease liabilities	16,019	25,806	16,019	25,806
Less: Amounts due for settlement within 12 months			(13,167)	(18,225)
Amounts due for settlement after 12 months			2,852	7,581

At 31 December 2025, the weighted average effective interest rate for the lease liabilities of the Group was approximately 4.44% (2024: approximately 3.41%) per annum.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 30. PROVISIONS

The movements of provisions were as follows:

	2025 RMB'000	2024 RMB'000
Provisions for restoration costs:		
At the beginning of the reporting year	847	1,105
Additional provisions	53	25
Reversal of provisions for restoration costs	(52)	(63)
Disposal of subsidiaries (Note 38)	(438)	(276)
Exchange realignment	40	56
<b>At the end of the reporting year</b>	<b>450</b>	<b>847</b>

Pursuant to the terms of the respective tenancy agreements entered into by the Group, the Group is required to return its leased properties to the conditions as stipulated in the tenancy agreements at the expiration of the corresponding lease term as appropriate. The provision for restoration costs is estimated based on certain assumptions and estimates made by the Group's management with reference to historical restoration costs and/or other available market information. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 31. DEFERRED TAXATION

(a) The deferred tax assets are made up of the following:

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	1,404	1,044
Charge to profit or loss	681	511
Disposal of subsidiaries (Note 38)	(437)	(226)
Exchange realignment	(102)	75
<b>At the end of the reporting period</b>	<b>1,546</b>	<b>1,404</b>

The movements in the Group's deferred tax assets for the reporting period were as follows:

	Accrued revenue and costs RMB'000	Capital Allowance RMB'000	Accelerated tax depreciation RMB'000	Total RMB'000
At 1 January 2024	1,723	34	(713)	1,044
Income tax credit	265	50	196	511
Disposal of subsidiaries (Note 38)	(217)	(44)	35	(226)
Exchange realignment	218	13	(156)	75
<b>At 31 December 2024 and 1 January 2025</b>	<b>1,989</b>	<b>53</b>	<b>(638)</b>	<b>1,404</b>
Income tax charge/(credit)	1,934	187	(1,440)	681
Disposal of subsidiaries (Note 38)	(437)	-	-	(437)
Exchange realignment	(38)	8	(72)	(102)
<b>At 31 December 2025</b>	<b>3,448</b>	<b>248</b>	<b>(2,150)</b>	<b>1,546</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 31. DEFERRED TAXATION (Continued)

(b) The deferred tax liabilities are made up of the following:

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	213	15,901
Credit to profit or loss	(77)	(15,688)
<b>At the end of the reporting period</b>	<b>136</b>	213

The movements in the Group's deferred tax liabilities for the reporting period were as follows:

	Amortisation allowance in excess of related intangible assets RMB'000
At 1 January 2024	15,901
Income tax credit	(15,688)
At 31 December 2024 and 1 January 2025	213
Income tax credit	(77)
<b>At 31 December 2025</b>	<b>136</b>

Deferred tax assets are recognised for tax losses carried forward to the extent that the realisation of the related benefit through the future taxable profit is probable. The Group did not recognise tax losses amounting to RMB84,379,000 (2024: RMB70,499,000) that can be carried forward against future taxable profit due to the unpredictability of further profit streams. These tax losses will expire from 2026 to 2030 (2024: 2025 to 2029).

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 32. SHARE CAPITAL

	Number of shares	HK\$	Equivalent to RMB'000
Authorised: Ordinary share of HK\$0.01 each			
<b>At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025</b>	<b>2,000,000,000</b>	<b>20,000,000</b>	<b>18,232</b>
Issued and fully paid:			
At 1 January 2024	646,832,805	6,468,328	5,771
Shares issued by the way of placing (Note (a))	129,366,561	1,293,665	1,191
Shares issued by the way of placing (Note (b))	155,230,000	1,552,300	1,406
At 31 December 2024 and 1 January 2025	<b>931,429,366</b>	<b>9,314,293</b>	<b>8,368</b>
Shares issued by the way of subscription (Note (c))	<b>212,121,212</b>	<b>2,121,213</b>	<b>1,988</b>
Shares issued by the way of placing (Note (d))	<b>228,710,000</b>	<b>2,287,100</b>	<b>2,091</b>
<b>At 31 December 2025</b>	<b>1,372,260,578</b>	<b>13,722,606</b>	<b>12,447</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 32. SHARE CAPITAL (Continued)

Notes:

- (a) On 14 February 2024, the Company allotted and issued 129,366,561 shares by way of placing at HK\$1.14 each. Proceeds of approximately HK\$147,478,000 (equivalent to approximately RMB135,705,000) were received and the related transaction costs of approximately HK\$1,475,000 (equivalent to approximately RMB1,357,000) were netted off with the proceeds. Approximately HK\$1,294,000 (equivalent to RMB1,191,000) was credited to share capital and the balance of approximately HK\$144,709,000 (equivalent to approximately RMB133,157,000) was credited to the share premium account. These shares rank pari passu in all respect with the then existing shares in issue.
- (b) On 3 October 2024, the Company allotted and issued 155,230,000 shares by way of placing at HK\$0.53 each. Proceeds of approximately HK\$82,272,000 (equivalent to approximately RMB74,519,000) were received and the related transaction costs of approximately HK\$823,000 (equivalent to approximately RMB745,000) were netted off with the proceeds. Approximately HK\$1,552,000 (equivalent to RMB1,406,000) was credited to share capital and the balance of approximately HK\$79,897,000 (equivalent to approximately RMB72,368,000) was credited to the share premium account. These shares rank pari passu in all respect with the then existing shares in issue.
- (c) On 12 February 2025, the Company allotted and issued 212,121,212 shares by way of share subscription at HK\$0.99 each. Proceeds of approximately HK\$210,000,000 (equivalent to approximately RMB196,875,000) were received and the related transaction costs of approximately HK\$120,000 (equivalent to approximately RMB111,000) were netted off with the proceeds. Approximately HK\$2,121,000 (equivalent to RMB1,988,000) was credited to share capital and the balance of approximately HK\$207,759,000 (equivalent to approximately RMB194,776,000) was credited to the share premium account. These shares rank pari passu in all respect with the then existing shares in issue.
- (d) On 22 July 2025, the Company allotted and issued 228,710,000 shares by way of placing at HK\$0.475 each. Proceeds of approximately HK\$108,637,000 (equivalent to approximately RMB99,305,000) were received and the related transaction costs of approximately HK\$1,195,000 (equivalent to approximately RMB1,099,000) were netted off with the proceeds. Approximately HK\$2,287,000 (equivalent to RMB2,091,000) was credited to share capital and the balance of approximately HK\$105,155,000 (equivalent to approximately RMB96,116,000) was credited to the share premium account. These shares rank pari passu in all respect with the then existing shares in issue.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 33. SHARE OPTION SCHEME

### 2020 Share Option Scheme

The Company operates a share option scheme (the “**2020 Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include the full-time and part-time employees, executives, officers, directors, business consultants, agents, legal and financial advisers of the Company and the Company’s subsidiaries. The 2020 Share Option Scheme became effective on 23 March 2020 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

At 30 September 2022, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 47,840,000, representing 8.0% the shares of the Company in issue at that date. At 23 February 2023, all 47,840,000 share options were exercised to subscribe for 47,840,000 ordinary shares of the Company.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the 2020 Share Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders’ approval in a general meeting.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 33. SHARE OPTION SCHEME (Continued)

### 2020 Share Option Scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 10 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and vests immediately and ends on a date which is not later than ten years from the date of the offer of the share options or the expiry date of the 2020 Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

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

No share option was granted during the year ended 31 December 2024.

On 8 July 2025, the 2020 Share Option Scheme was terminated.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 33. SHARE OPTION SCHEME (Continued)

### 2025 Share Option Scheme

The Company operates a share option scheme (the “**2025 Share Option Scheme**”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations, to attract suitable personnel and to align the interests of the grantees with those of the shareholders for the long-term development of the Group. Eligible participants include the directors and employees (whether full-time or part-time) of the Company and its subsidiaries, and any person who has accepted an employment offer from, or is being granted options as an inducement to enter into an employment contract with, the Company or any member of the Group.

The 2025 Share Option Scheme is administered by the remuneration committee of the Company (the “**Remuneration Committee**”), whose decisions shall be final and binding, save as otherwise provided in the scheme rules. The 2025 Share Option Scheme became effective on 8 July 2025 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of shares which may be issued upon exercise of all options and awards granted under the 2025 share schemes and any other share schemes of the Company shall not exceed the scheme mandate limit approved by shareholders in general meeting in accordance with the Listing Rules. Options lapsed in accordance with the terms of the 2025 Share Option Scheme shall not be regarded as utilised for the purpose of calculating such limit.

The maximum number of shares issuable under share options to each eligible participant within any 12-month period is subject to the limits prescribed under Chapter 17 of the Listing Rules. Any grant of options in excess of the applicable thresholds shall be subject to shareholders’ approval in a general meeting, with the relevant grantee and his/her associates abstaining from voting in accordance with the Listing Rules.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 33. SHARE OPTION SCHEME (Continued)

### 2025 Share Option Scheme (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates, are subject to approval in advance by the independent non-executive directors of the Company.

The offer of a grant of share options may be accepted within 21 days (or such other period as determined by the Remuneration Committee, but not exceeding 60 days) from the date of grant upon payment of a nominal consideration of HK\$1 by the grantee.

The vesting period and performance targets of the share options are determinable by the Remuneration Committee. The minimum vesting period shall generally not be less than 24 months, unless otherwise determined in accordance with the terms of the scheme and the Listing Rules.

The exercise period of the share options is determinable by the Remuneration Committee and shall not exceed 10 years from the date of grant. An option may be exercised in whole or in part upon satisfaction (or waiver) of the relevant vesting conditions.

The exercise price of the share options is determinable by the Remuneration Committee, but shall not be less than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's shares on the date of grant.

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

No share option was granted during the year ended 31 December 2025. As at 31 December 2025, the Company had no outstanding share options under the 2025 Share Option Scheme.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Pursuant to the disclosure requirements of the Hong Kong Companies Ordinance, the statement of financial position of the Company and the movement in its reserves is set out below:

	Notes	2025 RMB'000	2024 RMB'000
<b>Non-current asset</b>			
Investment in a subsidiary		136,352	146,515
<b>Current assets</b>			
Amounts due from subsidiaries	(a)	665,694	412,559
Trade and other receivable		1,170	–
Bank balances and cash		994	1,030
<b>Current liabilities</b>		667,858	413,589
Accruals		4,632	7,481
Amounts due to subsidiaries	(a)	561	743
<b>Net current assets</b>		5,193	8,224
<b>NET ASSETS</b>		662,665	405,365
<b>Capital and reserves</b>			
Share capital	32	12,447	8,368
Reserves	(b)	786,570	543,512
<b>TOTAL EQUITY</b>		799,017	551,880

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 31 March 2026 and signed on its behalf by

**Mr. Chen Yongzhong**  
*Director*

**Mr. Zhou Yue**  
*Director*

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

### (a) Amounts due from/to subsidiaries

The amounts due from/to subsidiaries are unsecured, interest-free and repayable on demand.

### (b) Movement of reserves of the Company

	Share premium RMB'000	Exchange reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At 1 January 2024	520,966	12,592	(50,178)	483,380
Loss for the year	–	–	(165,728)	(165,728)
<b>Other comprehensive income:</b>				
Exchange differences on translation of the Company's financial statements to presentation currency	–	20,335	–	20,335
<b>Total comprehensive income/(loss) for the year</b>	–	20,335	(165,728)	(145,393)
<b>Transactions with owners:</b>				
Issuance of shares in respect of placing, net of transaction costs	205,525	–	–	205,525
<b>Total transactions with owners</b>	205,525	–	–	205,525
<b>At 31 December 2024</b>	<b>726,491</b>	<b>32,927</b>	<b>(215,906)</b>	<b>543,512</b>

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

### (b) Movement of reserves of the Company (Continued)

	Share premium RMB'000	Exchange reserve RMB'000	Accumulated loss RMB'000	Total RMB'000
At 1 January 2025	726,491	32,927	(215,906)	543,512
Loss for the year	-	-	(15,112)	(15,112)
<b>Other comprehensive income:</b>				
Exchange differences on translation of the Company's financial statements to presentation currency	-	(32,722)	-	(32,722)
<b>Total comprehensive income/(loss) for the year</b>	-	(32,722)	(15,112)	(47,834)
<b>Transactions with owners:</b>				
Issuance of shares in respect of placing, net of transaction costs	290,892	-	-	290,892
<b>Total transactions with owners</b>	290,892	-	-	290,892
At 31 December 2025	1,017,383	205	(231,018)	786,570

## 35. RESERVES

### (a) Share premium

Share premium represents the excess of the net proceeds from issuance of the Company's shares over its par value. Under the laws of the Cayman Islands and the Company's Articles of Association, it is distributable to the Company's shareholders provided that the Company is able to pay its debts as they fall due in the ordinary course of business.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 35. RESERVES (Continued)

### (b) Capital reserve

The capital reserve represents the aggregate amount of the nominal value of the issued/paid-up capital of the entities now comprising the Group less consideration paid to acquire the relevant interests (if any), after adjusting the issued/paid-up capital held by those attributable to the non-controlling interests prior to the Reorganisation.

### (c) Statutory reserve

Statutory reserve is required to be appropriated from profit after income tax of the entity established in the PRC, determined in accordance with the relevant laws and regulations in the PRC. Allocation to the statutory reserve shall be approved by the board of directors of the PRC entity. The appropriation to statutory reserve may cease if the balance of the statutory reserve has reached 50% of the registered capital of the PRC entity. The statutory reserve can be used to make up for losses, expand the existing operation or for conversion into capital. The PRC entity may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert the statutory reserve into capital in proportion to the then existing shareholdings. However, when converting the statutory reserve into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital of that entity.

### (d) Exchange reserve

The translation reserve comprises all foreign exchange differences arising from the translation of foreign operations for consolidation and the translation of the Company's financial statements to presentation currency.

### (e) Other reserve

The other reserve comprises the difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid/received arising from the changes in ownership interests in subsidiaries that do not result in a loss of control.

### (f) Fair value reserve

The fair value reserve represents cumulative gains and losses arising from revaluation of equity instruments at FVTOCI that have been recognised in other comprehensive income. Gains and losses arising from revaluation of equity instruments at FVTOCI will not be reclassified to profit or loss in subsequent periods.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 36. NON-CONTROLLING INTERESTS

The following table shows the information relating to non-wholly owned subsidiary that has material non-controlling interests (“**NCI**”) during the years ended 31 December 2025 and 2024. The summarised financial information represents amounts before inter-company eliminations.

For the year ended 31 December 2025

	華喻數融 科技(廣東) 有限公司 2025	華喻數融 科技(廣東) 有限公司 2024
Proportion of NCI’s ownership interests	50%	50%
	<b>RMB’000</b>	RMB’000
Current assets	5,021	19,879
Non-current assets	15,000	–
Current liabilities	–*	–*
Non-current liabilities	–	–
Net assets	20,021	19,879
Carrying amount of NCI	10,011	9,940
<b>Year ended 31 December</b>		
Revenue	–	–
Other income	147	142
Expenses	(6)	(15)
Profit and total comprehensive income	141	127
Total comprehensive income attributable to NCI	71	64
Dividends paid to NCI	–	–
Net cash flows used in:		
Operating activities	(6)	(15)
Investing activities	–	–
Financing activities	147	142

\* represent amount less than RMB1,000.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 37. ACQUISITION OF SUBSIDIARIES

### For the year ended 31 December 2024

#### Acquisition of Azure Sea Global Limited

On 8 July 2024, the Company entered into a sale and purchase agreement with an independent third party for the acquisition of the entire share capital of Azure Sea Global Limited (“**Azure**”) at a consideration of HK\$350,000 (equivalent to RMB329,000). The principal activities of Azure is engaged in financing services in Hong Kong.

The identifiable assets acquired and liabilities assumed of Azure Sea at the date of acquisition were as follow:

	RMB'000
Other receivables	10
Bank balance and cash	655
Accruals and other payables	(567)
Total identifiable net assets	98
Goodwill	231
Total consideration paid	329
Net cash inflow from acquisition of subsidiary	326

Azure contributed approximately RMB111,000 and RMB33,000 to the Group’s revenue and the Group’s profit for the year respectively for the period between the date of acquisition and 31 December 2024.

## 38. DISPOSAL OF SUBSIDIARIES

### For the year ended 31 December 2025

For the year ended 31 December 2025, a directly wholly-owned subsidiary of the Company – Metro Eyewear Holdings Sdn Bhd and an independent third party entered into the sales and purchases agreement, for disposal of certain subsidiaries with its equity interests ranged from 50% to 100% (2024: 50% to 64%) which were engaged in wholesale and retail of optical products and related accessories in Malaysia, at a cash consideration of RMB20,425,000 (2024: 5,475,000).

During the year, a directly wholly-owned subsidiary of the Company, Jiang Xi Mali Intelligence Technology Company Limited, entered into a sales and purchase agreement with an independent third party for the disposal of subsidiaries with equity interests of 100%, which were engaged in e-commerce in the PRC. The disposal was effected at nil consideration.

The disposals of subsidiaries were completed during the year.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 38. DISPOSAL OF SUBSIDIARIES (Continued)

### For the year ended 31 December 2025 (Continued)

The carrying value of the net assets of the subsidiaries at the date of disposal were as follows:

	RMB'000
<b>Non-Current Assets</b>	
Property, plant and equipment	5,827
Right-of-use assets	9,383
Deferred tax assets	437
<b>Current Assets</b>	
Inventories	10,636
Trade receivables and other receivables	5,594
Tax recoverable	209
Bank balances and cash	21,233
<b>Current Liabilities</b>	
Trade payables and other payables	(27,572)
Provisions	(438)
Lease liabilities	(9,175)
Net assets disposed of	16,134
Less: Non-controlling interests	(4,163)
	11,971
<b>Analysis of gain on disposal of subsidiaries:</b>	
Cash consideration received	20,425
Net assets and non-controlling interests disposed of	(11,971)
Gain on disposal of subsidiaries	8,454
<b>Analysis of bank balances and cash in respect of the disposal:</b>	
Cash consideration	20,425
Less: Bank balances and cash disposed of	(21,233)
Net cash outflow on disposal of subsidiaries	(808)

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 38. DISPOSAL OF SUBSIDIARIES (Continued)

### For the year ended 31 December 2024

During the year ended 31 December 2024, a directly wholly-owned subsidiary of the Company – Metro Eyewear Holdings Sdn Bhd and an independent third party entered into the sales and purchases agreement, to disposal of certain subsidiaries with its equity interests ranged from 50% to 64% which were engaged in wholesale and retail of optical products and related accessories in Malaysia, at a consideration of RMB5,475,000. The disposal of subsidiaries was completed during the year ended 31 December 2024.

The carrying value of the net assets of the subsidiaries at the date of disposal were as follows:

	RMB'000
<b>Non-Current Assets</b>	
Property, plant and equipment	4,007
Right-of-use assets	6,131
Deferred tax assets	226
<b>Current Assets</b>	
Inventories	5,762
Trade receivables and other receivables	8,645
Tax recoverable	605
Bank balances and cash	3,120
<b>Current Liabilities</b>	
Trade payables and other payables	(11,784)
Provisions	(276)
Lease liabilities	(6,271)
Net assets disposed of	10,165
Less: Non-controlling interests	(4,646)
	5,519
<b>Analysis of gain on disposal of subsidiaries:</b>	
Cash consideration received	5,475
Net assets and non-controlling interests disposed of	(5,519)
Loss on disposal of subsidiaries	(44)
<b>Analysis of bank balances and cash in respect of the disposal:</b>	
Cash consideration	5,475
Less: Bank balances and cash disposed of	(3,120)
Net cash outflow on disposal of subsidiaries	2,355

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 39. RELATED PARTY TRANSACTIONS

In addition to the transactions/information disclosed elsewhere in the consolidated financial statements, during the years ended 31 December 2025 and 2024, further information of the related party transactions is set out below.

### (a) Related party transactions of the Group:

Name of the related party	Nature of transaction	2025 RMB'000	2024 RMB'000
Dato' Ng Kwang Hua and Dato' Ng Chin Kee	Rental expenses	–	20

Note:

Dato' Ng Kwang Hua and Dato' Ng Chin Kee are the directors of Metro Eyewear Holdings Sdn. Bhd.

### (b) Remuneration for key management personnel (including directors) of the Group:

	2025 RMB'000	2024 RMB'000
Salaries, discretionary bonus, allowances and other benefits in kind	10,442	9,786
Contributions to defined contribution plan	810	762
	11,252	10,548

Further details of the directors' remuneration are set out in Note 9.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 40. ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the Group had the following major non-cash transactions:

During the year ended 31 December 2025, the Group entered into certain lease arrangements in respect of leased assets with capital value at the inception of leases of approximately RMB11,635,000 (2024: approximately RMB18,131,000).

### (b) Reconciliation of liabilities arising from financing activities

The movements during the year ended 31 December 2025 and 2024 in the Group's liabilities arising from financing activities are as follows:

	At 1 January 2025 RMB'000	Net cash flows RMB'000	Non-cash changes				At 31 December 2025 RMB'000
			Additions RMB'000	Disposal of subsidiaries (Note 38) RMB'000	Interest expense RMB'000	Exchange realignment RMB'000	
Year ended 31 December 2025							
Interest-bearing borrowing	17,290	7,710	-	-	-	-	25,000
Lease liabilities	25,806	(14,321)	11,635	(9,175)	1,342	732	16,019
Total liabilities from financing activities	43,096	(6,611)	11,635	(9,175)	1,342	732	41,019

	At 1 January 2024 RMB'000	Net cash flows RMB'000	Non-cash changes				At 31 December 2024 RMB'000
			Additions RMB'000	Disposal of subsidiaries (Note 38) RMB'000	Interest expense RMB'000	Exchange realignment RMB'000	
Year ended 31 December 2024							
Interest-bearing borrowing	12,043	5,247	-	-	-	-	17,290
Lease liabilities	26,759	(15,064)	18,131	(6,271)	830	1,421	25,806
Total liabilities from financing activities	38,802	(9,817)	18,131	(6,271)	830	1,421	43,096

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial instruments comprise trade and other receivables, fixed deposits with licenced banks, bank balances and cash, trade and other payables, interest-bearing borrowings and lease liabilities. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and 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 in a timely and effective manner.

### Interest rate risk

The Group's interest-bearing borrowings and lease liabilities issued at fixed rates expose the Group to fair value interest-rate risk.

### Foreign currency risk

The Group's transactions are mainly denominated in RMB, RM and HK\$.

Certain financial assets and financial liabilities of the Group are denominated in currencies other than the functional currency of the respective group entities (i.e. RMB) and therefore exposed to foreign currency risk. The carrying amounts of those financial assets and liabilities are analysed as follows:

	Financial assets		Financial liabilities	
	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000
HK\$	250,225	143,925	30,112	27,038
RM	77,190	69,433	11,542	36,015
USD	858	793	9	9
SGD	141	141	–	–

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Foreign currency risk (Continued)

	31 December 2025		31 December 2024	
	Increase (decrease) in foreign exchange rates	Effect on loss before tax RMB'000	Increase (decrease) in foreign exchange rates	Effect on loss before tax RMB'000
HK\$	10% (10%)	22,011 (22,011)	10% (10%)	11,689 (11,689)
RM	10% (10%)	6,565 (6,565)	10% (10%)	3,342 (3,342)
USD	10% (10%)	85 (85)	10% (10%)	78 (78)
SGD	10% (10%)	14 (14)	10% (10%)	14 (14)

The sensitivity analysis has been determined assuming that the changes in foreign exchange rates had occurred at the end of each reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period.

In the opinion of the management of the Group, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of each reporting period does not reflect the exposure during the years ended 31 December 2025 and 2024.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk

The carrying amount of financial assets recognised on the consolidated financial statements, which is net of loss allowances, represents the Group's exposure to credit risk on these financial assets without taking into account the credit enhancements.

	2025 RMB'000	2024 RMB'000
Trade and other receivables	449,022	374,934
Fixed deposits with licensed banks	54,015	36,234
Bank balances and cash	98,121	54,213
	<b>601,158</b>	465,381

### Trade receivables from third parties

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtor balances are monitored on an ongoing basis and the Group's exposure to bad debts is being managed.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer as well as the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

At 31 December 2025, the Group had a concentration of credit risk as approximately 39% (2024: approximately 41%) of the total trade receivables was due from the Group's largest trade debtor, and approximately 64% (2024: approximately 54%) of the total trade receivables was due from the Group's five largest trade debtors. The Group manages the concentration of credit risk by broadening the customer base of the Group.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk (Continued)

#### Trade receivables from third parties (Continued)

The Group's customer base consists of a wide range of customers and the trade receivables are categorised by common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms. The Group applies a simplified approach in calculating ECL for trade receivables and recognises loss allowances based on lifetime ECL at each reporting date. The management estimated the expected credit losses taking into account the historical credit loss experience and market credit loss rate, adjusted for current and forward-looking factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's estimate on future economic conditions over the expected lives of the receivables. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 December 2025 and 2024.

The information about the exposure to credit risk and ECL for trade receivables at 31 December 2025 and 2024 is summarised as follows:

#### At 31 December 2025

	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Not past due	9.18%	10,726	985
Within 30 days past due	8.17%	6,267	512
31 to 60 days past due	4.79%	7,370	353
61 to 90 days past due	14.25%	1,824	260
91 to 120 days past due	13.92%	8,938	1,243
121 to 360 days past due	71.93%	5,380	3,871
		40,505	7,224

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk (Continued)

#### Trade receivables from third parties (Continued)

At 31 December 2024

	Expected loss rate	Gross carrying amount RMB'000	Loss allowance RMB'000
Not past due	0.98%	24,013	236
Within 30 days past due	3.24%	5,312	172
31 to 60 days past due	4.80%	5,044	242
61 to 90 days past due	6.35%	945	60
91 to 120 days past due	18.81%	10,632	2,000
121 to 360 days past due	62.20%	2,947	1,833
		48,893	4,543

The Group does not hold any collateral over trade receivables at 31 December 2025 and 2024.

During the year ended 31 December 2025, the Group recognised loss allowance of approximately RMB2,681,000 (2024: RMB4,335,000) on the trade receivables. The movement in the loss allowance for trade receivables during the year ended 31 December 2025 and 2024 is summarised below.

	2025 RMB'000	2024 RMB'000
Balance at the beginning of the reporting period	4,543	208
Increase in allowance	2,681	4,335
Balance at the end of the reporting period	7,224	4,543

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk (Continued)

#### Other receivables

The management of the Group considers that the other receivables have low credit risk based on the borrowers' strong capacity to meet its contractual cash flow obligations in the near term and low risk of default. Impairment on other receivables is measured on 12-month ECL. In estimating the ECL, the management of the Group has taken into account the historical actual credit loss experience over the past years and the financial position of the counterparties, adjusted for forward-looking factors that are specific to the debtors and general economic conditions of the industry in which the counterparties operate, in estimating the probability of default of these financial assets, as well as the loss upon default in each case.

There was no change in the estimation techniques or significant assumptions made during the years ended 31 December 2025 and 2024.

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.

The movement in the loss allowance for expected credit losses relating to other receivables are set out as follows:

	2025 RMB'000	2024 RMB'000
At the beginning of the reporting period	19,003	21,948
Increase in allowance	19,395	2,347
Impairment reversal	–	(5,292)
At the end of the reporting period	38,398	19,003

#### Fixed deposits with licensed banks and bank balances and cash

The management of the Group considers the credit risk in respect of fixed deposits with licensed banks and bank balances and cash is minimal because the counterparties are authorised financial institutions with high credit ratings.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk (Continued)

#### Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December 2025 and 2024. The amounts presented are gross carrying amounts for financial assets.

#### As at 31 December 2025

	12-month	Life times ECLs		Simplified approach	Total
	ECLs	Stage 2	Stage 3		
	Stage 1	RMB'000	RMB'000		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	-	-	-	40,505	40,505
Deposits paid	106,193	-	-	-	106,193
Refundable rental and other related deposits	2,544	-	-	-	2,544
Other receivables	22,280	41,659	-	-	63,939
Loan receivables	215,173	66,290	-	-	281,463
Fixed deposits with licensed banks	54,015	-	-	-	54,015
Bank balances and cash	98,121	-	-	-	98,121
	498,326	107,949	-	40,505	646,780

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Credit risk (Continued)

#### Maximum exposure and year-end staging (Continued)

As at 31 December 2024

	12-month	Life times ECLs		Simplified approach	Total
	ECLs	Stage 2	Stage 3		
	Stage 1	Stage 2	Stage 3		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	–	–	–	48,893	48,893
Deposits paid	174,328	60	–	–	174,388
Refundable rental and other related deposits	12,926	–	–	–	12,926
Other receivables	46,710	8,753	–	–	55,463
Loan receivables	18,900	87,910	–	–	106,810
Fixed deposits with licensed banks	36,234	–	–	–	36,234
Bank balances and cash	54,213	–	–	–	54,213
	343,311	96,723	–	48,893	488,927

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility. The Group has no specific policy for managing its liquidity. The undiscounted contractual maturity profile of the Group's financial liabilities at the end of each reporting period, based on the contractual undiscounted payments, is summarised below:

	Total carrying amount RMB'000	Total contractual undiscounted cash flow RMB'000	On demand or less than 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000
<b>At 31 December 2025</b>					
Trade and other payables	77,497	77,497	77,497	-	-
Interest-bearing borrowings	25,000	25,501	25,501	-	-
Lease liabilities	16,019	16,752	13,699	2,364	689
	<b>118,516</b>	<b>119,750</b>	<b>116,697</b>	<b>2,364</b>	<b>689</b>
<b>At 31 December 2024</b>					
Trade and other payables	81,852	81,852	81,852	-	-
Interest-bearing borrowings	17,290	17,642	17,642	-	-
Lease liabilities	25,806	26,580	18,795	6,658	1,127
	<b>124,948</b>	<b>126,074</b>	<b>118,289</b>	<b>6,658</b>	<b>1,127</b>

## 42. FAIR VALUE MEASUREMENTS

All financial assets and liabilities are carried at amounts not materially different from their fair values at the end of each reporting period.

Information about the Group's fair values of investment properties, financial assets at FVTOCI and financial assets at FVTPL under Level 1, Level 2 and Level 3 of the three-level fair value hierarchy as defined under IFRS 13 is set out in Note 15, Note 21 and Note 26, respectively.

# Notes to the Consolidated Financial Statements

Year ended 31 December 2025

## 43. COMMITMENTS

### Commitments under operating leases

#### The Group as lessor

The Group leases out its investment properties under operating leases with average lease terms of three years. The future aggregate minimum rental receivables under non-cancellable operating leases are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	240	228
Over one year	472	–
	712	228

#### The Group as lessee

The Group leases office premises under an operating lease with a term of three years. The future aggregate minimum lease payments under the non-cancellable operating lease are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	3,098	–
Over one year	9,341	–
	12,439	–

## 44. CAPITAL MANAGEMENT

The objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide returns for equity owners of the Company. The Group manages its capital structure and makes adjustments, including payment of dividend, call for additional capital from equity owners of the Company or sale of assets to reduce debts. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

## 45. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

# Financial Summary

The following is a summary of the published results and assets and liabilities of the Group for the last five financial years/period. The financial information for the year ended 31 March 2022, the nine months ended 31 December 2022, the years ended 31 December 2023, 2024 and 2025 are extracted from the consolidated financial statement in the respective annual reports.

	Year ended 31 March 2022 RMB'000 (restated)	Nine months ended 31 December 2022 RMB'000	Years ended 31 December		2025 RMB'000
			2023 RMB'000	2024 RMB'000	
Revenue	349,803	550,032	1,419,769	1,253,462	<b>839,371</b>
Profit/(loss) before tax	26,433	(14,035)	(69,619)	(150,748)	<b>(84,218)</b>
Income tax (expense)/credit	(7,533)	(9,444)	(4,761)	8,262	<b>(6,160)</b>
Profit/(loss) for the year/period	18,900	(23,479)	(74,380)	(142,486)	<b>(90,378)</b>
Profit/(loss) for the year/period attributable to:					
Owners of the Company	15,294	(27,856)	(75,564)	(143,223)	<b>(89,043)</b>
Non-controlling interests	3,606	4,377	1,184	737	<b>(1,335)</b>
	18,900	(23,479)	(74,380)	(142,486)	<b>(90,378)</b>

	As at 31 March 2022 RMB'000 (restated)	As at 31 December 2022 RMB'000	As at 31 December 2023 RMB'000	As at 31 December 2024 RMB'000	2025 RMB'000
Assets and Liabilities					
Total assets	479,100	596,719	690,521	774,174	<b>950,638</b>
Total liabilities	(281,770)	(110,986)	(134,160)	(149,696)	<b>(141,984)</b>
	197,330	485,733	556,361	624,478	<b>808,654</b>
Equity attributable to:					
Owners of the Company	188,085	474,652	534,137	609,371	<b>797,546</b>
Non-controlling interests	9,245	11,081	22,224	15,107	<b>11,108</b>
	197,330	485,733	556,361	624,478	<b>808,654</b>