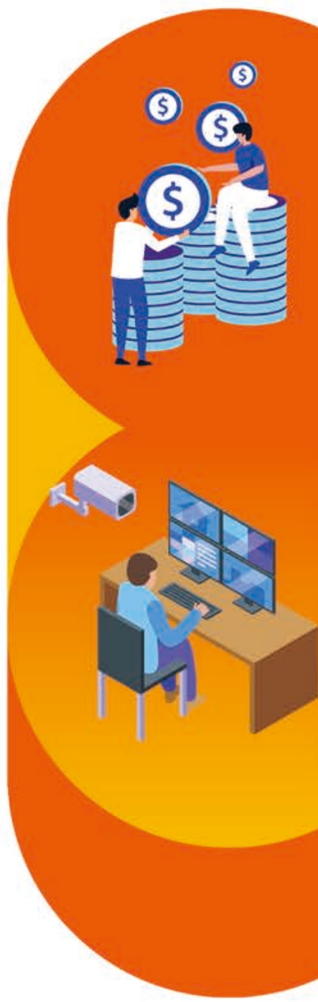
祈福生活服務
CLIFFORD MODERN LIVING

祈福生活服務控股有限公司
CLIFFORD MODERN LIVING HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)
Stock Code : 3686

2025
ANNUAL REPORT


水 果
SALAD
水 果

CONTENTS



Throughout this annual report, the English translations of the official Chinese names marked with "*" are for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version should prevail.

CORPORATE INFORMATION

Executive Directors
Ms. MAN Lai Hung
(Chairman and Chief Executive Officer)
Ms. HO Suk Mee
Mr. LAU Chun Pong *(Chief Financial Officer)*
(appointed with effect from 1 November 2025)

Non-executive Director
Mr. LIU Xing*
Ms. LIANG Yuhua *(resigned on 31 October 2025)*

Independent non-executive Directors
Ms. LAW Elizabeth
Mr. HO Cham
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)

Audit committee
Ms. LAW Elizabeth *(Chairman)*
Mr. HO Cham
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)

Remuneration committee
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)
(Chairman)
Ms. MAN Lai Hung
Ms. LAW Elizabeth

Nomination committee
Ms. MAN Lai Hung *(Chairman)*
Ms. LAW Elizabeth
Mr. HO Cham

Environmental, social and governance committee
Ms. MAN Lai Hung *(Chairman)*
Ms. LAW Elizabeth
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)
Ms. HO Suk Mee
Mr. LAU Kwok Chin

Company secretary
Mr. LAU Chun Pong *(Chief Financial Officer)*

Authorised representatives
Ms. MAN Lai Hung
Mr. LAU Chun Pong

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

Headquarters in the Chinese Mainland
8 Shiguang Road
Panyu, Guangzhou
Guangdong
Chinese Mainland

Principal place of business and headquarters in Hong Kong
7th Floor
Chai Wan Industrial City, Phase II
70 Wing Tai Road
Chai Wan
Hong Kong

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

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

Principal bankers
Standard Chartered Bank (Hong Kong) Limited
Bank of China (Hong Kong) Limited

Legal adviser
As to Hong Kong laws
Chiu & Partners

Auditor
Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

Stock code
3686

Company's website
www.cliffordmodernliving.com

Investor enquiry hotline
Tel: (852) 2889 0183

Investor enquiry email address
pr@cliffordmodernliving.com.hk

* Re-designated from an executive Director to a non-executive Director with effect from 1 November 2025.

FINANCIAL HIGHLIGHTS

	For the year ended 31 December 2025 RMB'000	2024 RMB'000	Percentage change
Revenue from contracts with customers	**320,272**	367,385	-12.8%
Gross profit	**166,272**	169,368	-1.8%
Profit before taxation	**313,004**	130,003	140.8%
Profit for the year	**284,629**	97,539	191.8%
Gross profit margin (%)	**51.9%**	46.1%	12.6%
Net profit margin (%)	**88.9%**	26.5%	235.5%
Earnings per share for profit attributable to the owners of the Company (expressed in RMB per share):			
– Basic and diluted earnings per share	**0.280**	0.096	191.7%
Proposed final dividend per ordinary share	**HK9.50 cents**	HK4.50 cents	111.1%

CHAIRMAN'S STATEMENT

MAN Lai Hung

Chairman,
Chief Executive Officer and
Executive Director

Amid a softening and competitive market, the Group's strategic agility and financial discipline remained evident. Despite headwinds in operations, substantial gains from our investments propelled us to record annual profit, affirming our adaptable approach and strengthening our position for future challenges.

On behalf of the board (the "**Board**") of directors (the "**Director(s)**") of Clifford Modern Living Holdings Limited (the "**Company**" or "**Clifford Modern Living**"), I am pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2025.

We are a renowned service provider with a diversified service portfolio comprising five main service segments: property management services, retail services, off-campus training services, information technology services and ancillary living services in Guangdong Province (the Group offers catering services, property agency services, employment placement services and laundry services, collectively "**Ancillary Living Services**").

CHAIRMAN'S STATEMENT

FINANCIAL HIGHLIGHTS

For the year ended 31 December 2025, the Group achieved revenue of approximately RMB320.3 million, representing a year-on-year decrease of 12.8%. Profit during the year under review increased to approximately RMB284.6 million, representing a year-on-year increase of approximately RMB187.1 million or 191.8%.

During the year under review, gross profit margin increased from 46.1% to 51.9%. Net profit margin increased from 26.5% to 88.9%, representing a year-on-year increase of about 235.5%. The increase in net profit was mainly attributable to a substantial fair value gain on investment in unallocated silver bullion recorded during the year ended 31 December 2025.

PROPOSED FINAL DIVIDEND

Based on the financial performance in 2025 and the Revised Dividend Policy (as defined hereinafter), the Board recommended the payment of a final dividend (the "**2025 Final Dividend**") of HK9.50 cents per ordinary share (the "**Share(s)**") for the year ended 31 December 2025 (2024: final dividend of HK4.50 cents per Share).

BUSINESS HIGHLIGHTS

In 2025, the Group navigated a persistently challenging macroeconomic environment. While our property management segment remained resilient, other segments faced pressure from cautious consumer behavior, weaker demand, and intensified market rivalry. Despite these sectoral headwinds, a notable appreciation in the market value of our investment in unallocated silver bullion played a decisive role in elevating the Group to its highest annual profit on record. This result showcases the Group's strategic versatility and has fortified our financial base, positioning us to address upcoming challenges with greater resources and confidence.

OUTLOOK FOR 2026

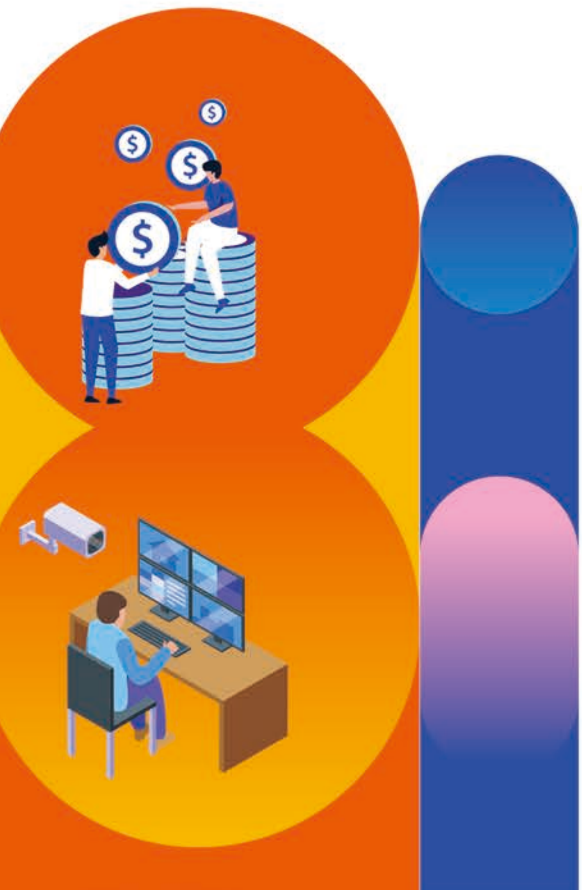
Looking ahead to 2026, the economy of the Chinese Mainland is expected to continue its gradual recovery with sustained policy support. In response to ongoing market uncertainties, we will adopt a vigilant stance in overseeing the Group's expenditures and prioritize preserving strong liquidity, ensuring we are well-positioned to navigate challenges and seize opportunities. We will continue to pursue strategic investments to cope with the existing market environment and consistently reassess the business strategy. In the long run, we will persist in executing a diversified business development strategy, prioritizing the ongoing growth and expansion of our operations.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to express our sincere appreciation to the shareholders (the "**Shareholders**") and business partners of the Company for their continued trust and support throughtout the past year. We will strive to bring superior and diversified services to the residents and customers, and create value for Shareholders.

MAN Lai Hung
Chairman, Chief Executive Officer and Executive Director
Hong Kong, 27 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS




祈福教育城
CLIFFORD
CITY

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a service provider with a diversified service portfolio comprising five main service segments: property management services, retail services, off-campus training services, information technology services and Ancillary Living Services.

1. Property Management Services

The Group provided property management services to 16 (as at 31 December 2024: 16) residential communities and 6 (as at 31 December 2024: 5) pure commercial properties or projects with an aggregate contracted gross floor area ("**GFA**") of approximately 10,189,000 sq.m. as at 31 December 2025 (as at 31 December 2024: 9,875,000 sq.m.).

The table below sets forth the total contracted GFA and the number of residential communities and pure commercial properties or projects managed by the Group in different regions in the Chinese Mainland as at the dates indicated below:

	As at 31 December			
	2025		2024	
	Approximate total contracted GFA ('000 sq.m.)	**Number of communities/ properties or projects**	Approximate total contracted GFA ('000 sq.m.)	Number of communities/ properties or projects
Residential communities				
Panyu district	**4,671**	**6**	4,671	6
Huadu district	**1,208**	**7**	1,208	7
Zhaoqing city	**346**	**1**	346	1
Foshan city	**857**	**2**	857	2
Subtotal	**7,082**	**16**	7,082	16
Pure commercial properties/ projects				
Huadu district	**2,726**	**3**	2,662	3
Panyu district	**381**	**3**	131	2
Subtotal	**3,107**	**6**	2,793	5
Total	**10,189**	**22**	9,875	21

2. Retail Services

The Group launched fresh food procurement services to commercial clients within the contracted GFA and adjacent region in the second half of 2024. This strategic expansion aims to strengthen the Group's procurement infrastructure, establish collaboration with local enterprises and create integrated value across its supply chain network.

The Group operated 24 retail outlets (three supermarkets, one wet market and 20 convenience stores) of different sizes covering a total GFA of approximately 14,402 sq.m. as at 31 December 2025 (as at 31 December 2024: 22 retail outlets covering a total GFA of approximately 14,067 sq.m.).

The following table sets out the average daily revenue by type of retail outlet in operation during the years ended 31 December 2025 and 2024 respectively:

	For the year ended 31 December	
	2025 (RMB'000)	2024 (RMB'000)
Average daily revenue by type of retail outlet (Note)		
Supermarket	**207.5**	208.7
Wet market	**46.3**	46.5
Convenience store	**93.3**	132.1

Note: Average daily revenue by type of retail outlet is calculated by dividing revenue by type of retail outlet for the year by 360 days.

3. Off-campus Training Services

The Group had four learning centres in Panyu district as at 31 December 2025 (as at 31 December 2024: four learning centres). Off-campus training services mainly include offering of language learning classes and various interest classes.

4. Information Technology Services

Engineering services

The Group provides information technology services, related engineering services, security systems services and hardware and software integration services, most of which are delivered on project basis.

Telecommunication services

The Group entered into contracts with major telecommunication service providers under which the Group acts as an agent for their products and services.

5. Ancillary Living Services

Catering services

The Group provides catering consultancy services and receives a fixed monthly consultancy fee. The Group also provides catering services in the local area. The Group ceased to provide catering services to schools in the first quarter of 2025. This decision was made due to a continuous decline in profitability influenced by evolving market dynamics. The decision aligns with efforts to optimise operational efficiency, adapt to shifting conditions and focus on core business areas to ensure sustainable growth and financial resilience while maintaining stable financial performance.

Property agency services

The property agency industry remains closely linked to the real estate market. With the Chinese Mainland government stabilizing the sector, the Group anticipates that the demand for property agency services will gradually resume in the near future.

Employment placement services

The Group constantly monitors the performance and service quality of relevant household helpers and despatched workers.

Laundry services

The Group provides safe and quality laundry services by providing continuous training to its staff.

PROSPECTS AND FUTURE PLANS

Property Management Services

The Group plans to further expand its market share by increasing the total contracted floor area and the number of residential communities and pure commercial properties under management. This expansion is expected to support revenue growth from property management services and to drive increased usage of the Group's other service segments.

The Group also plans to expand its property management network by engaging in integrated projects in Guangdong Province, which include apartments, shopping malls, and office buildings developed by third parties. For such projects, integrated property management, agency, and marketing consultancy services will be provided.

To accelerate growth, the Group intends to pursue acquisitions of suitable property management companies, aiming to enhance operational standardisation and centralisation. Furthermore, the Group will continue to develop online marketing and distribution channels through websites and mobile applications to promote various services. Upgraded sales and accounting systems are expected to improve data collection and customer service responsiveness.

Retail Services

The retail segment is undergoing a phase of business structure optimisation. While intense market competition continues to pressure traditional retail revenues, the fresh food procurement service launched in the second half of 2024 has begun contributing as a new revenue stream. The focus will be on integrating traditional and new business resources to support the segment's overall stable development.

Off-Campus Training Services

The off-campus training services segment is currently in a period of cyclical market adjustment. The management of the Company will closely monitor relevant policies and market trends, dynamically optimising the business strategy and cost structure to adapt to the evolving environment.

Information Technology Services

A structural evolution is anticipated in the information technology services segment's revenue composition. While large-scale project contract revenue may face volatility due to extended market decision cycles, the proportion and stability of revenue from long-term maintenance and service contracts are expected to increase. The Group will continue to strengthen its technical service capabilities to enhance customer retention and revenue sustainability.

Ancillary Living Services

(i) Catering Services

Catering services for schools were discontinued in the first quarter of 2025 due to continuously declining profitability, aligning with a focus on operational efficiency and core business areas. Local catering services continue in a highly competitive market, with a strategic emphasis on customer retention and operational efficiency to maintain resilience.

(ii) Property Agency Services

The performance of the property agency services segment is closely linked to domestic property market sentiment. A prudent operational approach will be maintained in the current changing market environment, emphasising risk management and resource allocation.

(iii) Employment Placement Services and Laundry Services

Demand for employment placement services remains relatively stable, and laundry services are expected to maintain their current operational scale. This segment is anticipated to contribute stable cash flow to the Group.

Investment in precious metals

Given the current macroeconomic environment, geopolitical tensions and economic uncertainties, precious metals are considered to be a relatively low-risk asset class in the foreseeable future for the purpose of long-term strategic investment. Investment in precious metals has shown consistent appreciation over the long term and can deliver better returns during financial downturns, which serves as a viable store of value and a risk diversifier in the present economic climate, and also reduces foreign exchange risk and interest rate risk from term deposits, which serves the Group's treasury management objective on safety, liquidity, and capital preservation, aiming to safeguard the Group's resources for future development. During the first quarter of 2026, the Group purchased a total of 2,730 ounces (and disposed of 1,500 ounces), 230,300 ounces and 1,600 ounces of unallocated gold bullion, allocated silver bullion and allocated gold bullion respectively. For details, please see the paragraph headed "Significant events after the reporting period" in this report.

Monthly review of the investment in precious metals conducted by the finance department of the Group will be provided to all members of the Board, detailing the status of the investment, including invested amount, current market value of investment and fair value gain/loss of the investment. During the ongoing monitoring of investment by the finance department of the Group, if the price of precious metals reaches a level where there is an unrealised gain or loss of over 30% relative to the average acquisition cost, mandatory review of the investment will be triggered. The finance department shall inform the chief financial officer of the Company, who must immediately report to the all members of Board and provide them with an analysis and recommendations on whether the Company shall partially or fully dispose of the investment (including the size and target price range of the proposed disposal and the effective period of scope of authority to be authorised for the disposal). In such connection, a formal Board meeting shall be convened for all Board members (including the independent non-executive Directors) to participate in monitoring, reviewing and determining whether or not to partially or fully dispose of the investment.

Overall

Looking ahead to 2026, the Group's various business segments are expected to encounter distinct operating environments and challenges. The management of the Company remains committed to operational optimisation, resource integration, and business synergy.

In view of the possible market softening and increasing level of competition faced by the Group, the Group will remain prudent in monitoring its expenditures, look for new investment opportunities to cope with the existing market environment and constantly review its business strategies. Please refer to the section headed "Prospects and future plans - Investment in precious metals" above for details of the Group's investment plan.

While the global economic climate remains challenging, the Group is committed to pursuing growth across its business and continues to strive to find opportunities in the face of challenges, so as to return long term value to Shareholders, and realise corporate value.

FINANCIAL REVIEW

Revenue

	For the year ended 31 December		Variance		Percentage of total revenue	
	2025	2024			**2025**	2024
	RMB'000	RMB'000	RMB'000	%	**%**	%
Property management services	**114,474**	86,754	27,720	32.0	**35.7**	23.6
Retail services	**124,954**	139,415	(14,461)	-10.4	**39.0**	38.0
Off-campus training services	**28,431**	36,523	(8,092)	-22.2	**8.9**	9.9
Information technology services	**17,928**	18,204	(276)	-1.5	**5.6**	5.0
Ancillary Living Services	**34,485**	86,489	(52,004)	-60.1	**10.8**	23.5
Total	**320,272**	367,385	(47,113)	-12.8	**100.0**	100.0

Revenue from contracts with customers was derived from property management services, retail services, off-campus training services, information technology services and Ancillary Living Services. For the year ended 31 December 2025, the total revenue was approximately RMB320.3 million, representing a decrease of approximately RMB47.1 million or approximately 12.8% as compared to that of approximately RMB367.4 million in the previous year.

Property management services

	For the year ended 31 December		Variance	
	2025	2024		
	RMB'000	RMB'000	RMB'000	%
Residential property management services	**40,226**	38,239	1,987	5.2
Commercial property management services	**49,745**	24,613	25,132	102.1
Resident support services	**24,503**	23,902	601	2.5
Household helper services	**21,335**	18,166	3,169	17.4
Household repairs and maintenance services	**3,168**	5,736	(2,568)	-44.8
Total	**114,474**	86,754	27,720	32.0

During the year ended 31 December 2025, the increase in revenue generated from property management services was approximately RMB27.7 million, or approximately 32.0%, primarily driven by the new management contracts for healthcare properties secured during the year. Revenue from resident support services increased by RMB0.6 million or approximately 2.5% from RMB23.9 million for the year ended 31 December 2024 to RMB24.5 million for the year ended 31 December 2025, which was driven by the higher demand for resident support services.

Retail services

	For the year ended 31 December		Variance	
	2025	2024		
	RMB'000	RMB'000	RMB'000	%
Revenue by type of retail outlet				
Supermarket	**74,685**	75,140	(455)	-0.6
Wet market	**16,666**	16,724	(58)	-0.3
Convenience store	**33,603**	47,551	(13,948)	-29.3
Total	**124,954**	139,415	(14,461)	-10.4

During the year ended 31 December 2025, revenue generated from retail services decreased by approximately RMB14.5 million, or about 10.4% to RMB125.0 million, of which the decrease in revenue generated from supermarkets was approximately RMB0.5 million or 0.6%. The decrease in revenue generated from convenience stores was approximately RMB13.9 million or approximately 29.3% and the revenue generated from wet market remained stable at approximately RMB16.7 million. The decrease in revenue generated from retail services was primarily due to the intensified competition in the retail market.

Off-campus training services

	For the year ended 31 December		Variance	
	2025	2024		
	RMB'000	RMB'000	RMB'000	%
Total	**28,431**	36,523	(8,092)	-22.2

During the year ended 31 December 2025, the decrease in revenue generated from off-campus training services was approximately RMB8.1 million, or approximately 22.2%. The decrease was mainly due to reduced enrollment demand in various interest classes.

Information technology services

	For the year ended 31 December		Variance	
	2025	2024		
	RMB'000	RMB'000	RMB'000	%
Information technology services revenue by category				
Engineering	**11,379**	11,252	127	1.1
Telecommunication	**6,549**	6,952	(403)	-5.8
Total	**17,928**	18,204	(276)	-1.5

During the year ended 31 December 2025, the decrease in revenue generated from information technology services was approximately RMB0.3 million, or approximately 1.5%, of which the increase in revenue generated from engineering services was approximately RMB0.1 million or approximately 1.1%. The decrease in revenue generated from telecommunication services was approximately RMB0.4 million or approximately 5.8%.

Ancillary Living Services

	For the year ended 31 December		Variance	
	2025	2024		
	RMB'000	RMB'000	RMB'000	%
Ancillary Living Services revenue by category				
Catering services	**15,888**	64,542	(48,654)	-75.4
Property agency services	**6,255**	5,318	937	17.6
Employment placement services	**11,462**	15,275	(3,813)	-25.0
Laundry services	**880**	1,354	(474)	-35.0
Total	**34,485**	86,489	(52,004)	-60.1

During the year ended 31 December 2025, the decrease in revenue generated from Ancillary Living Services was approximately RMB52.0 million, or approximately 60.1%, of which the decrease in revenue generated from catering services was approximately RMB48.7 million or approximately 75.4%. Such decline was primarily attributable to the Group discontinuing its school catering services in the first quarter of 2025, after ongoing profitability challenges caused by changing market dynamics.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit and gross profit margin

Gross profit decreased from approximately RMB169.4 million for the year ended 31 December 2024 to approximately RMB166.3 million for the year ended 31 December 2025, representing a decrease of approximately RMB3.1 million or approximately 1.8%. Meanwhile, the Group's gross profit margin increased from approximately 46.1% for the year ended 31 December 2024 to approximately 51.9% for the year ended 31 December 2025. The increase in gross profit margin was primarily attributable to (i) the cessation of low-margin catering services to school, resulting in a higher-margin mix from the remaining local catering services, (ii) the shift towards higher-margin maintenance contracts within information technology services, and (iii) the contribution from the fresh food procurement services launched in the second half of 2024.

Other income and gains, net

Other income and gains, net amounted to approximately RMB208.1 million for the year ended 31 December 2025 as compared to approximately RMB21.1 million for the year ended 31 December 2024. Such increase was mainly due to the fair value gain on investment in unallocated silver bullion of approximately RMB202.8 million recorded during the year ended 31 December 2025 as compared to approximately RMB12.9 million for the year ended 31 December 2024.

Selling and marketing expenses

Selling and marketing expenses primarily consisted of employee benefit expenses for selling and marketing staff, depreciation and amortisation charges, short term lease expenses and management fees and utility expenses. Selling and marketing expenses decreased from approximately RMB36.2 million for the year ended 31 December 2024 to approximately RMB34.2 million for the year ended 31 December 2025, representing a decrease of approximately RMB2.0 million or approximately 5.5%. As a substantial part of selling and marketing expenses was incurred from the retail services, the decrease in selling and marketing expenses was due to the decrease in selling and marketing activities in the retail services.

Administrative expenses

Administrative expenses principally comprised employee benefit expenses, professional fees and office related expenses for administrative departments. Administrative expenses increased from RMB22.3 million for the year ended 31 December 2024 to RMB26.2 million for the year ended 31 December 2025, representing an increase of 17.4%. The increase was mainly due to (i) the launch of fresh food procurement services in the second half of 2024, and (ii) a charitable donation amounted to approximately RMB1.8 million made to the Friends of Hong Kong Association Development Foundation Limited (香港友好協進會發展基金有限公司), aimed at supporting the victims of the Tai Po Wang Fuk Court fire.

Finance costs

Finance costs amounted to approximately RMB1.9 million and approximately RMB2.3 million for the years ended 31 December 2025 and 2024 respectively, representing the interest expenses on lease liabilities.

Income tax expenses

The weighted average applicable tax rate was 9.1% and 25.0% for the years ended 31 December 2025 and 2024 respectively.

Profit for the year

For the year ended 31 December 2025, as a result of the cumulative effect of the above factors, the Group's net profit for the year was RMB284.6 million and its net profit margin was 88.9%.

Property, plant and equipment

Property, plant and equipment mainly consisted of the machinery, vehicles, office equipment and leasehold improvements. As at 31 December 2025 and 2024, the net book values of property, plant and equipment of the Group were RMB4.0 million and RMB6.0 million respectively.

Investment properties

Investment properties amounted to RMB12.1 million as at 31 December 2025, which comprised principally right-of-use assets, which are held for long-term rental yields, not occupied by the Group and recognised due to operating leases.

Investment in unallocated silver bullion

The Group, utilising its internal resources, purchased a total of 800,000 ounces of unallocated silver bullion through Standard Chartered Bank (Hong Kong) Limited, a licensed bank in Hong Kong, during the year ended 31 December 2020 with the total consideration of approximately RMB102.5 million. On 22 February, 3 March and 7 March 2022 (up to 4:30 p.m.), the Group disposed of a total of 200,000, 100,000 and 200,000 ounces of unallocated silver bullion respectively through Standard Chartered Bank (Hong Kong) Limited, with gross proceeds (excluding transaction cost) of approximately RMB30,371,000, RMB15,838,000 and RMB32,842,000 respectively. On 25 July, 29 July and 6 August 2024, the Group purchased 264,000, 96,000 and 20,000 ounces of unallocated silver bullion through Standard Chartered Bank (Hong Kong) Limited (the "**Bank**"), with an aggregate consideration of approximately RMB77.9 million. As at 31 December 2025, the balance of unallocated silver bullion held by the Group was 680,000 ounces with an estimated fair value of approximately RMB344.1 million, which represents approximately 47.8% of the total assets of the Group. The Group recorded a gain in fair value of approximately RMB202.8 million during the year ended 31 December 2025 (for the year ended 31 December 2024: gain in fair value of approximately RMB12.9 million). The investment in unallocated silver bullion is considered as the diversification of the Group's asset structure. For further details, please refer to the announcements of the Company dated 26 February 2020, 28 February 2020, 22 February 2022, 7 March 2022, 9 March 2022, 25 July 2024 and 29 July 2024 respectively. The Group remains optimistic about investing in silver bullion, driven by geopolitical tensions and sustained industrial demand. Silver's dual appeal as an industrial metal and safe-haven asset positions it favorably amid ongoing macroeconomic uncertainties.

Subsequent to the Reporting Period, on 9 January and 14 January 2026, the Group disposed of the entire investment in unallocated silver bullion, totalling 400,000 ounces and 280,000 ounces, respectively through the Bank, and the aggregate sale proceeds amounted to approximately RMB387.9 million. For further details, please refer to the Company's announcements dated 9 January, 12 January and 14 January 2026 and the circular dated 25 February 2026 respectively.

Inventories

As at 31 December 2025, inventories mainly consisted of merchandise goods for retail services and raw materials for information technology services. Inventories decreased from approximately RMB9.7 million as at 31 December 2024 to approximately RMB8.2 million as at 31 December 2025.

Inventory turnover days was 19 days and 18 days during the years ended 31 December 2025 and 2024 respectively.

Trade and other receivables and prepayments

Trade and other receivables and prepayments mainly consisted of trade receivables, amounts placed in bank accounts opened on behalf of the residents ("**Residents' Accounts**"), other receivables and prepayments.

Trade receivables

Trade receivables are mainly related to receivables from outstanding information technology services, receivables of outstanding property management fee charged on commission basis and receivables of concession services under retail services. Trade receivables increased by approximately 53.3% from approximately RMB16.6 million as at 31 December 2024 to approximately RMB25.4 million as at 31 December 2025. The increase was mainly attributable to new contracts secured during the year, which were subsequently settled in February 2026.

Other receivables

Other receivables mainly comprised rental deposits and deposits paid to suppliers. Other receivables increased by 7.7% from RMB22.1 million as at 31 December 2024 to RMB23.8 million as at 31 December 2025.

Amounts placed in Residents' Accounts

Certain property management companies of the Group have engaged in the provision of property management services for residential communities on commission basis and opened the Residents' Accounts. These Residents' Accounts are used to collect property management fee and resident support services fee from the residents. The property management companies have undertaken the treasury function for these bank accounts on behalf of the residents pursuant to the property management contracts.

As at 31 December 2025, amounts placed in the Residents' Accounts of RMB1.3 million represented the balances of the property management commission fee and resident support services fee to which the property management companies are entitled (31 December 2024: RMB1.4 million).

Prepayments

Prepayments are mainly related to prepayments made to sub-contractors. Prepayments increased by 6.7% from RMB1.8 million as at 31 December 2024 to RMB1.9 million as at 31 December 2025.

Trade and other payables

Trade and other payables primarily comprised trade payables, other payables and accrued payroll.

Trade payables

Trade payables primarily comprised fees due to third-party suppliers for products for retail services, and fees due to sub-contractors for provision of information technology services.

Trade payables decreased by 17.3% from RMB36.0 million as at 31 December 2024 to RMB29.8 million as at 31 December 2025.

Other payables

Other payables primarily comprised amounts due to third parties, which mainly include deposits received from tenants in the retail business, and amounted to RMB24.6 million and RMB23.9 million as at 31 December 2025 and 2024 respectively.

Accrued payroll

Accrued payroll increased by 22.7% to RMB10.8 million as at 31 December 2025 from RMB8.8 million as at 31 December 2024, which was attributable to the new contacts secured during the year.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's primary liquidity requirements relate to the funding of required working capital to support an increase in its scale of operations, purchase of property, plant and equipment and payments for leasehold land. As at 31 December 2025, the Group mainly financed its cash requirements through cash generated from operating activities.

As at 31 December 2025, the Group's material sources of liquidity were cash and cash equivalents of RMB204.8 million (as at 31 December 2024: RMB282.9 million), with main currencies being RMB and HKD. During the year ended 31 December 2025, the Group did not obtain any loans or borrowings (as at 31 December 2024: nil).

Gearing ratio

Gearing ratio is calculated based on total debts (being loan payables due to related parties) divided by total equity as at the end of each year. Gearing ratio was nil as at 31 December 2025 and 31 December 2024.

PLEDGE OF ASSETS

The Group had no pledged assets as at 31 December 2025 (31 December 2024: nil).

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (31 December 2024: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2025, excluding labour costs borne by the property owners of the residential communities that we managed on commission basis, the Group had 770 employees (31 December 2024: 618 employees). Remuneration is determined with reference to the performance, skills, qualifications and experience of the employee concerned and the prevailing industry practice.

Apart from salary payments, other staff benefits include contributions to the mandatory provident fund (for Hong Kong employees) and state-managed pension schemes (for employees in the Chinese Mainland) and a discretionary bonus programme.

In addition, the Company adopted a share option scheme in October 2016 which allows the Directors to grant share options to employees of the Group in order to retain elite personnel within the Group and to provide incentives for their contribution to the Group.

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

Save as disclosed in the paragraph headed "Investment in unallocated silver bullion" in this report, the Group had no significant investments held, material acquisitions and disposals of subsidiaries, associates or joint ventures during the year ended 31 December 2025.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at the date of this report, the Group did not have any concrete future plans for material investments or capital assets.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

(a) Disposal of investments in unallocated silver bullion

On 9 January 2026 and 14 January 2026, the Group disposed of 400,000 ounces and 280,000 ounces of unallocated silver bullion through the Bank at the consideration of approximately RMB226.2 million and RMB161.7 million respectively. Upon completion of the disposal on 14 January 2026, the Group no longer held any unallocated silver bullion. For details, please refer to the Company's announcements dated 9 January 2026, 12 January 2026 and 14 January 2026 and the circular dated 25 February 2026.

(b) Investments in unallocated gold bullion, allocated silver bullion and allocated gold bullion

Investments in unallocated gold bullion

On 28 January, 29 January, 2 February and 3 February 2026, the Group, by utilising part of the proceeds from the disposal of investments in unallocated silver bullion (the "**Silver Disposal Proceeds**"), purchased a total of 2,730 ounces of unallocated gold bullion through the Bank at the consideration of approximately RMB28.6 million, RMB28.3 million, RMB24.4 million and RMB16.9 million respectively. For details, please refer to the Company's announcements dated 26 January 2026, 27 January 2026 and 30 January 2026.

Investments in allocated silver bullion

On 13 February, 25 March, 14 April and 23 April 2026, the Group, by utilising part of the Silver Disposal Proceeds, the Unallocated Gold Disposal Proceeds (as defined below) and its internal resources, purchased a total of approximately 371,700 ounces of allocated silver bullion through the Bank at the consideration of approximately RMB87.1 million, RMB38.0 million, RMB37.6 million and RMB39.1 million respectively. For details, please refer to the Company's announcements dated 11 February 2026, 23 March 2026, 10 April 2026 and 21 April 2026.

Investments in allocated gold bullion

On 25 February 2026, 10 March 2026 and 23 March 2026, the Group, by utilising part of the Silver Disposal Proceeds and the Unallocated Gold Disposal Proceeds (as defined below), purchased a total of 1,600 ounces of allocated gold bullion through the Bank at the consideration of approximately RMB28.8 million, RMB14.0 million and RMB13.0 million respectively. For details, please refer to the Company's announcements dated 23 February 2026, 6 March 2026 and 20 March 2026.

(c) Disposals of investments in unallocated gold bullion

On 25 February 2026, 3 March 2026 and 4 March 2026, the Group disposed of a total of 1,500 ounces of unallocated gold bullion through the Bank (the "**Unallocated Gold Disposal Proceeds**") at the consideration of approximately RMB18.0 million, RMB10.8 million and RMB25.7 million respectively. For details, please refer to the Company's announcement dated 2 March 2026.

Save as disclosed above, the Group had no significant events after 31 December 2025 and up to the date of this report.

DIRECTORS' PROFILE

DIRECTORS

Chairman and Executive Directors

Ms. MAN Lai Hung (孟麗紅), aged 66, is the chairman of the Group, the chief executive officer of the Company and an executive Director. Ms. Man was appointed as the chairman of the nomination committee ("**Nomination Committee**") and a member of the remuneration committee ("**Remuneration Committee**") of the Board on 7 November 2016, and was appointed as the chairman of the environmental, social and governance committee ("**ESG Committee**") of the Board on 9 June 2022.

Ms. Man joined the Group in October 1998 and is the founder of the Group and has since been in charge of the strategic development, management, operations as well as the overall performance of the Group. Ms. Man obtained a degree of Bachelor of Business Administration from The Chinese University of Hong Kong in December 1982.

Ms. Man was appointed as a member of the Thirteenth National Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十三屆全國委員會) in January 2018 and a member of the Fourteenth National Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十四屆全國委員會) in January 2023. She also takes part in other social public services including being a member of the Thirteenth Executive Committee of All-China Women's Federation* (中華全國婦女聯合會), a member of the standing committee of the Fifteenth Beijing Women's Federation* (北京市婦女聯合會), the chairman of the Twelfth Council of the Superiors Management Board of Chamber of Commerce of Guangzhou Foreign Investment Enterprises* (廣州外商投資企業商會), the vice president of the Sixteenth Executive Committee of the Guangzhou Chamber of Commerce* (廣州市工商業聯合會(總商會)), the vice president and member of the standing committee of the Executive Committee of Hong Kong Federation of Guangzhou Association (香港廣州社團總會), the honorary chairman of Hong Kong Guangdong Youth Association (香港廣東青年總會), an advisor of Our Hong Kong Foundation (團結香港基金), a fellow member of Hong Kong Institute of Directors, the honorary chairman of Baise City Education Fund* (百色市教育基金會), the co-founder of Hong Kong Coalition (香港再出發大聯盟), a member of The Hong Kong Chinese Importers' & Exporters' Association (香港中華出入口商會), the honorary consultant of Hong Kong CPPCC Youth Association (香港政協青年聯會) and the honorary chairman of the First Executive Committee of the Hong Kong Federation of Guangzhou Women Association (香港廣州婦聯總會). Ms. Man was one of the winners of the Fourth Outstanding Entrepreneur Social Responsibility Award* (第四屆傑出企業家社會責任獎) organised by The Mirror (鏡報) in Hong Kong in March 2015, was granted the sixteenth batch honorary citizen of Guangzhou in November 2018 and was awarded "Greater Bay Area Outstanding Woman Entrepreneur Awards 2018" in December 2018. She received the honorary title of The National March 8th Red-banner Holder in Anti-COVID-19 Measure* (抗擊新冠肺炎疫情全國三八紅旗手) in September 2020 and was awarded the Outstanding Businesswomen Award 2021 organised by Hong Kong Commercial Daily in December 2021.

DIRECTORS' PROFILE

Ms. HO Suk Mee (何淑媚), aged 58, is an executive Director and a marketing director of the Group. She is primarily responsible for business development and marketing matters of the Group. Ms. Ho is a member of the ESG Committee.

Ms. Ho was awarded a Diploma in Design (Packaging & Advertising) by the Sha Tin Technical Institute in 1988 and a Higher Certificate in Marketing & Sales Management by the Hong Kong Polytechnic University in 1993.

Ms. Ho joined the Group in December 2018. Before joining the Group, Ms. Ho was a marketing director of the Private Group (as defined below) and she was responsible for leading and managing marketing matters of the overall business segments of the Private Group. Ms. Ho joined the Private Group as assistant marketing officer in 1994 and became a marketing manager managing the overall marketing matters in 2000, and was promoted to marketing director in 2006.

Mr. LAU Chun Pong (劉振邦), aged 52, joined the Group as the company secretary and chief financial officer in December 2019. He was appointed as an executive Director with effect from 1 November 2025. He is primarily responsible for financial reporting, business planning and company secretarial matters of the Group. Mr. Lau was awarded a degree of Bachelor of Business Economics by the University of California, Los Angeles in September 1997. Mr. Lau has been a member of HKICPA and the American Institute of Certified Public Accountants since 2002.

Mr. Lau has extensive experience in accounting, auditing and corporate finance. He was (i) the qualified accountant and company secretary of Shenzhen Mingwah Aohan High Technology Corporation Limited (深圳市明華澳漢科技股份有限公司) (listed on the GEM of the Stock Exchange with stock code: 8301) from April 2005 to May 2006; (ii) the financial controller and company secretary of Apollo Future Mobility Group Limited (Apollo智慧出行集團有限公司) (formerly known as WE Solutions Limited (力世紀有限公司), O Luxe Holdings Limited (奧立仕控股有限公司) and Ming Fung Jewellery Group Limited (明豐珠寶集團有限公司*)) (listed on the Main Board of the Stock Exchange with stock code: 860)) from June 2008 and November 2008 respectively to November 2017; (iii) the group financial controller and company secretary of AV Promotions Holdings Limited (listed on the GEM of the Stock Exchange with stock code: 8419) from June 2018 to June 2019; and (iv) the company secretary of GT Gold Holdings Limited (大唐黃金控股有限公司) (formerly known as Grand T G Gold Holdings Limited (大唐潼金控股有限公司*)) (listed on the GEM of the Stock Exchange with stock code: 8299) from January 2019 to February 2020. Mr. Lau is currently the independent non-executive director of China Longevity Group Company Limited (中國龍天集團有限公司) (listed on the Main Board of the Stock Exchange with stock code: 1863), and China CBM Group Company Limited (中國煤層氣集團有限公司) (listed on the GEM of the Stock Exchange with stock code: 8270).

Non-executive Director

Mr. LIU Xing (劉興), aged 62, was re-designated from an executive Director to a non-executive Director with effect from 1 November 2025. He joined the Group in 2016 and is primarily responsible for advising on legal issues and matters of the Group and overseeing general compliance with rules and regulations of the Group's operation. Mr. Liu was awarded a degree of Bachelor of Law by the then Zhongnan Institute of Politics and Law (中南政法學院) (currently known as Zhongnan University of Economics and Law (中南財經政法大學)) in July 1986. Mr. Liu was issued with a qualification certificate as an accredited lawyer in the Chinese Mainland by the Administrative Department of Hubei Province Xianning City* (湖北省咸寧地區行政公署) in April 1991. He is currently a non-practising lawyer.

Mr. Liu is a member of the Twelfth and Thirteenth Guangzhou Committee of the Chinese People's Political Consultative Conference* (中國人民政治協商會議第十二屆及第十三屆廣州市委員會). He has become a judicial inspector of the Guangzhou Intermediate People's Court* (廣州市中級人民法院司法監督員) since September 2012. Mr. Liu is also the executive president of the Guangdong Real Estate Chamber of Commerce* (廣東省地產商會).

In July 1986, Mr. Liu started to work for the Justice Bureau of Hubei Province Xianning City* (湖北省咸寧地區司法局) and was an accredited lawyer of the consultancy department of the Justice Bureau of Hubei Province Xianning City* during August 1988 to August 1995. Mr. Liu founded Hubei Province Haizhou Law Office* (湖北省海舟律師事務所) in August 1995 and up to February 1999 when he assumed the office as the chief lawyer (主任律師).

From July 2000 onward, Mr. Liu has been employed by Clifford Estates (Panyu) Limited* (廣州市番禺祈福新邨房地產有限公司), assuming various offices including being the in-house counsel since July 2000 and the legal manager of the legal department since January 2002. Mr. Liu was promoted to the office as the legal director of Clifford Estates (Panyu) Limited* in September 2010 in which he was in charge of overseeing the legal department, providing legal advice in relation to business negotiations and drafting of contracts and other relevant legal documents.

DIRECTORS' PROFILE

Independent Non-executive Directors

Ms. LAW Elizabeth (羅君美), MH, JP, aged 71, is an independent non-executive Director, the chairwoman of the audit committee ("**Audit Committee**") of the Board and a member of the Remuneration Committee, the Nomination Committee and the ESG Committee respectively.

She was appointed as an independent non-executive Director in 2016. Ms. Law graduated from McGill University in Canada with a degree of Bachelor of Commerce (majoring in Accounting) in May 1976. Ms. Law became a chartered accountant in Canada in June 1979, a member of Hong Kong Institute of Certified Public Accountants ("**HKICPA**") in May 1982, a fellow of the Institute of Chartered Accountant in England and Wales in August 2019 and a fellow member of CPA Australia in November 2009. She is a fellow member of the HKICPA since December 1991, a fellow member of The Taxation Institute of Hong Kong since April 2003 and a chartered professional accountant of Canada since November 2012.

Ms. Law was the President of The Society of Chinese Accountants and Auditors in 1993 and is presently their Council Member and the Chairman of its Taxation Committee. She was the Founding President of the Association of Women Accountants (Hong Kong) Ltd. and has been appointed as its honorary founding president since 2008. Ms. Law was appointed as Justice of the Peace in Hong Kong in 2009.

Currently, Ms. Law is the managing director of Law & Partners CPA Ltd. and the proprietor of Stephen Law & Company.

Ms. Law is currently an independent non-executive director of Sunwah Kingsway Capital Holdings Limited (新華匯富金融控股有限公司) (listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code: 188), The Wharf (Holdings) Limited (九龍倉集團有限公司) (listed on the Stock Exchange with stock code: 4), Onewo Inc. (萬物雲空間科技服務股份有限公司) (listed on the Stock Exchange with stock code: 2602), Starlite Holdings Limited (星光集團有限公司) (listed on the Stock Exchange with stock code: 403) and Wise Ally International Holdings Limited (麗年國際控股有限公司) (listed on the Stock Exchange with stock code: 9918).

Ms. Law was an independent non-executive director of China Vanke Co., Ltd. (萬科企業股份有限公司) (listed on the Stock Exchange with stock code: 2202 for H shares and listed on Shenzhen Stock Exchange with stock code: 000002 for A shares) until 30 June 2017 and Sunwah International Limited (listed on Toronto Stock Exchange with stock code: SWH) until 30 June 2021.

Mr. HO Cham (何湛), aged 68, is an independent non-executive Director, a member of the Audit Committee and the Nomination Committee respectively. He was appointed as an independent non-executive Director in 2016. Mr. Ho was awarded a degree of Bachelor of Laws and the Postgraduate Certificate in Laws by the University of Hong Kong in November 1980 and July 1981 respectively. Mr. Ho was admitted as a solicitor of the Supreme Court of Hong Kong (currently known as the High Court of Hong Kong) in March 1983 and as a solicitor of the Supreme Court of England in January 1990. Mr. Ho is currently a practising solicitor in Hong Kong.

From July 1981 to February 1983, Mr. Ho worked as an article clerk at Johnson Stokes and Master. In March 1983, Mr. Ho joined Ho and Wong as an assistant solicitor and became a partner of Ho and Wong in 1987. Currently, Mr. Ho is the senior and managing partner of Ho and Wong.

Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung) (麥炳良，又名麥華章), aged 76, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Audit Committee. He was appointed as an independent non-executive Director in 2016.

Mr. Mak was appointed as a member of the ESG Committee on 9 June 2022. Mr. Mak obtained a degree in Bachelor of Arts from the University of Hong Kong in November 1973.

Mr. Mak was the managing director of the Hong Kong Economic Times Holdings Limited (香港經濟日報集團有限公司) ("**HKET**") and publisher of Hong Kong Economic Times and Sky Post from 29 April 2005 until 1 May 2020. He is also a founder of HKET. Prior to the founding of HKET in 1987, he was the bureau chief of the European Bureau of Wen Wei Po in London, and was later promoted to the office of deputy general manager of Wen Wei Po. Mr. Mak was an honorary advisor of Hong Kong Institute of Marketing. In 1988, Mr. Mak was elected as one of the Ten Outstanding Young Persons of Hong Kong organised by Junior Chamber International Hong Kong (formerly known as Hong Kong Junior Chamber). In 2012, Mr. Mak won the Outstanding Entrepreneurship Award of the Asia Pacific Entrepreneurship Awards 2012 organised by Enterprise Asia.

Mr. Mak is currently an independent non-executive director of Tai Hing Group Holdings Limited (太興集團控股有限公司) (listed on the Stock Exchange with stock code: 6811). Mr. Mak was an executive director of HKET (香港經濟日報集團有限公司) (listed on the Stock Exchange with stock code: 423) from 29 April 2005 until 1 May 2020 and an independent non-executive director of Zhong Ji Longevity Science Group Limited (中基長壽科學集團有限公司) (formerly known as Asia Pacific Silk Road Investment Company Limited 亞太絲路投資有限公司) (listed on the Stock Exchange with stock code: 767) from 31 December 2020 until 1 May 2021.

SENIOR MANAGEMENT'S PROFILE

SENIOR MANAGEMENT AND COMPANY SECRETARY

Mr. CHEN Yuxiong (陳宇雄), aged 59, joined the Group in April 2004 and is currently the chief operating officer of Guangzhou Panyu Clifford Property Management Limited* (廣州市番禺祈福物業管理有限公司), responsible for managing and overseeing the operation of the property management services business of the Group. He obtained a degree of Bachelor of Engineering from the Guangdong Mechanical Engineering Institution* (廣東機械學院) (currently known as Guangdong University of Technology (廣東工業大學)) in June 1988. Mr. Chen is a Certified Property Manager* (物業管理師) of the Chinese Mainland and was appointed as Property Management Expert of Guangzhou* (廣州市物業管理專家) by Guangzhou Housing and Urban-Rural Construction Committee (廣州市住房和城鄉建設委員會) in August 2017.

Mr. Chen has extensive experience in multiple aspects of the property management business. Mr. Chen joined Guangzhou Panyu Clifford Property Management Limited* (廣州市番禺祈福物業管理有限公司) since its establishment in October 1998, and has since served as the property management director responsible for managing and overseeing the operation of property management services. Mr. Chen has also overseen the management and operation of Foshan Clifford Property Management Limited* (佛山市祈福物業管理有限公司) since its establishment.

Ms. WANG Xiaoming (王小明), aged 50, joined as a senior finance manager of the Group in February 2024. She is primarily responsible for the Group's financial management and cross-departmental collaboration.

Ms. Wang obtained her bachelor's degree in Accounting from Zhongnan University of Finance, Economics and Law* (中南財務政法大學) in June 2003. She has held the professional qualifications of Certified Public Accountant in the Chinese Mainland since 2000 and Certified Tax Agent in the Chinese Mainland since 2014.

Ms. Wang possesses extensive experience in financial management, audit assurance, and tax consulting. Prior to joining the Group, Ms. Wang worked at Hubei Jinxin CPA Firm* (湖北金信會計師事務所), where she was progressively promoted from project manager to partner. From February 2005 to January 2024, she was a senior accountant in the Private Group (as defined below).

Mr. LAU Chun Pong (劉振邦), aged 52, joined the Group as the company secretary and chief financial officer in December 2019. He was appointed as an executive Director on 1 November 2025. Please see his biography in the paragraph headed "Directors".

REPORT OF THE DIRECTORS

The Directors have the pleasure of presenting their report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The activities of its principal subsidiaries are set out in note 29 to the consolidated financial statements.

RESULTS AND BUSINESS REVIEW

The results of the Group for the year ended 31 December 2025 are set out in the consolidated statement of profit or loss and other comprehensive income on page 66 of this report.

A fair review of the business of the Group during the year and its future development and outlook, important events affecting the Company occurred since 31 December 2025 and an analysis of the Group's performance during the year using key financial performance indicators, and relationships with stakeholders as required under Schedule 5 of the Companies Ordinance (Cap. 622 of the laws of Hong Kong) are set out in "Chairman's Statement" on pages 4 to 5, and "Management Discussion and Analysis" on pages 6 to 20 of this annual report which constitute part of this report of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

We believe that there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorised these risks and uncertainties into the following:

(i) Risks relating to General Operations

- We rely substantially on key residential communities for a significant portion of our revenue
- Our corporate structure, which consists of multiple service segments, exposes us to challenges not found in companies with a single service segment
- We may not be able to implement our business strategies and our future plans

(ii) Risks relating to Property Management Services

- Termination or non-renewal of our property management services contracts could have a material adverse effect on our business, financial position and results of operations

(iii) Risks relating to Retail Services

- We may not be able to maintain the balance between the amount of products supplied to satisfy customers and inventory control

(iv) Risks relating to Off-campus Training Services

- If we are not able to continue to attract learners to enrol in our classes at commercially viable fee levels, our revenue may decline and we may not be able to maintain our profitability

(v) Risks relating to Information Technology Services

- If the contracts signed by us with the Private Group and/or Ms. MAN Lai Hung's Group (both as defined below) are deferred or if we cease to have the Private Group and/or Ms. MAN Lai Hung's Group as our customers, we may experience a significant drop in revenue and may also bear counter-party risks, which may in turn adversely affect our performance and profitability

(vi) Risks relating to Ancillary Living Services

- Intense market competition in the Ancillary Living Services sector could prevent us from increasing or sustaining our revenue and profitability

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group considers environmental protection as its corporate responsibility and recognises that the sustainable development of the environment is important to the sustainable daily operation of the Group's business. The Group has adopted various green measures to reduce any adverse impact that the Group's business may bring to the environment. More details on the Group's environmental policies and performance will be provided in the "Environmental, Social and Governance Report" which will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cliffordmodernliving.com) and a printed copy of the same will be despatched to the Shareholders upon request.

DIVIDENDS DISTRIBUTION

The Board recommended the payment of the 2025 Final Dividend of HK9.50 cents (2024: final dividend of HK4.50 cents) per Share in respect of the year ended 31 December 2025, amounting to a total dividend payment of approximately HK$96.5 million, subject to the approval by the Shareholders at the annual general meeting (the "**AGM**") to be held on Friday, 26 June 2026. The 2025 Final Dividend will be paid in cash on Friday, 31 July 2026 to Shareholders whose names appear on the register of members of the Company on Monday, 6 July 2026.

ANNUAL GENERAL MEETING

The AGM is currently scheduled to be held on Friday, 26 June 2026. A notice convening the AGM and all other relevant documents will be published and despatched to the Shareholders (as appropriate) in due course.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to attend and vote at the AGM, the register of members of the Company will (so long as the AGM remains to be held on Friday, 26 June 2026) be closed from Monday, 22 June 2026 to Friday, 26 June 2026, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 18 June 2026.

In addition, subject to the approval of the proposed 2025 Final Dividend by the Shareholders at the AGM, the register of members of the Company will be closed from Friday, 3 July 2026 to Monday, 6 July 2026, both dates inclusive, for the purpose of determining the identity of Shareholders who qualify for the proposed 2025 Final Dividend. In order to qualify for the proposed 2025 Final Dividend, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Hong Kong Branch Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 2 July 2026.

SHARE CAPITAL

Details of change in the share capital of the Company during the year ended 31 December 2025 are set out in note 26 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2025 are set out in note 14 to the consolidated financial statements.

DISTRIBUTABLE RESERVES OF THE COMPANY

Movements in reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 69 of this report.

Reserves available for distribution to the Shareholders consisted of share premium and retained earnings. Under the Companies Act (As Revised) of the Cayman Islands and subject to compliance with the articles of association of the Company ("**Articles of Association**"), the share premium account may be applied by the Company for paying distributions or dividends to the Shareholders if immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay off its debts as they fall due in the ordinary course of business. As at 31 December 2025, the Company's reserves available for distribution to equity holders amounted to approximately RMB517.5 million.

DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this report were:

Executive Directors:

Ms. MAN Lai Hung *(Chairman and Chief Executive Officer)*
Ms. HO Suk Mee
Mr. LAU Chun Pong (appointed with effect from 1 November 2025)

Non-executive Directors:

Mr. LIU Xing (re-designated from an executive Director to a non-executive Director with effect from 1 November 2025)
Ms. LIANG Yuhua (resigned on 31 October 2025)

Independent Non-executive Directors:

Ms. LAW Elizabeth
Mr. HO Cham
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)

Pursuant to Articles 107(A) and (B) of the Articles of Association, Ms. HO Suk Mee, Mr. LAU Chun Pong, Mr. LIU Xing, Ms. LAW Elizabeth and Mr. MAK Ping Leung shall retire at the AGM.

All of the above retiring Directors are eligible and will offer themselves for re-election at the AGM.

Each of the Directors has entered into a service contract or a letter of appointment (as the case may be) with the Company for a term of three years which may be terminated by not less than three months' notice in writing served by either the Director or the Company.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Ms. MAN Lai Hung, Ms. HO Suk Mee and Mr. LAU Chun Pong have entered into service contracts as an executive Director with the Company for a fixed term of three years effective from 1 October 2024, 1 December 2024 and 1 November 2025 respectively. The service contracts may be terminated in accordance with the terms of the service contracts, including by not less than three months' notice in writing served by either party, and are renewable subject to terms and conditions to be agreed between the parties.

Each of the independent non-executive Directors has signed a letter of appointment with the Company for a term of three years commenced from 1 November 2025. Pursuant to the letters of appointment, the appointment may be terminated in accordance with the terms of the letters of appointment, including by either party giving to the other party not less than three months' advance written notice of termination.

No Director proposed for re-election at the forthcoming AGM has a service contract or appointment letter with the Company which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

(1) Mr. LAU Chun Pong was appointed as an executive Director with effect from 1 November 2025;

(2) Ms. LIANG Yuhua resigned as a non-executive Director with effect from 31 October 2025; and

(3) Mr. LIU Xing has been re-designated from an executive Director to a non-executive Director with effect from 1 November 2025.

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

As at 31 December 2025, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "**SFO**")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") were as follows:

Name of Director	Nature of interest/Capacity	Number of shares[(2)]	Approximate percentage of shareholding in the Company
Ms. MAN Lai Hung[(1)]	Interest in a controlled corporation[(1)]	735,040,000	72.36%
Ms. MAN Lai Hung	Beneficial owner	5,330,000	0.52%

Notes:

(1) Elland Holdings Limited, which owns 735,040,000 Shares, is wholly owned by Ms. MAN Lai Hung. By virtue of the SFO, Ms. MAN Lai Hung is deemed or taken to be interested in all the Shares which are beneficially owned by Elland Holdings Limited.

(2) All the shares are held in long position.

Save as disclosed above, as at 31 December 2025, none of the Directors or the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

RIGHTS TO ACQUIRE SHARES

At no time during the year was the Company, or its holding company, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

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

As at 31 December 2025, so far as the Directors were aware, the following substantial Shareholders (other than the Directors and the chief executive of the Company) had interests or short positions of 5% or more in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name	Capacity/Nature of interest	Number of shares[(2)]	Approximate percentage of shareholding in the Company
Elland Holdings Limited	Beneficial owner	735,040,000	72.36%
Mr. PANG Lun Kee Clifford[(1)]	Interest of spouse	740,370,000	72.89%

Notes:

(1) Mr. PANG Lun Kee Clifford is the spouse of Ms. MAN Lai Hung. By virtue of the SFO, Mr. PANG Lun Kee Clifford is deemed to be interested in the shares of the Company in which Ms. MAN Lai Hung is interested.

(2) All the shares are held in long position.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person or corporation having an interest or short position in shares and underlying shares of the Company which would be required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the "**Share Option Scheme**") in October 2016, for the purpose of recognising and rewarding the contribution of certain eligible participants to the growth and development of the Group and its listing, to strengthen the corporate governance mechanism, to improve the employee incentive system, to align the interest of the Company, its Shareholders and its management and to encourage continuing development of the eligible employees with a view to promoting the long-term stability and interest of the Group. Under the amended Chapter 17 of the Listing Rules, which came into effect on 1 January 2023, the Company will rely on the transitional arrangements provided for the existing share schemes and will only grant share options in compliance with the amended Chapter 17 of the Listing Rules (to the extent applicable). The following is a summary of the principal terms of the Share Option Scheme.

Eligible participants of the Share Option Scheme include the Directors, employees of the Group and other selected groups of participants. The Share Option Scheme was adopted by the Company on 21 October 2016 and became effective on the same day. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for 10 years from the adoption date. The remaining life of the Share Option Scheme is approximately six months.

The maximum number of shares of the Company in respect of which options may be granted under the Share Option Scheme and any other schemes by the Company shall not, in aggregate, exceed 10% of the issued share capital of the Company as at the Listing Date, being 100,000,000 shares (accounting for approximately 9.84% of the issued shares (excluding treasury shares, if any) as at the date of the annual report) unless Shareholders' approval has been obtained.

The maximum number of shares of the Company issuable under the share options granted to each eligible participant in the 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' separate approval in advance in a general meeting.

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, or to any of their associate, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company's shares at the date of 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 21 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 may commence from the date of the offer of grant of the share options and end on a date which is not later than 10 years from the date of the offer of grant of the share options or the date on which such options lapse, if earlier. The exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors. The vesting period of the share options granted is also determinable by the Directors.

Pursuant to the Share Option Scheme, the Directors may invite participants to take up options at a price determined by the Board but in any event not less than the highest of (i) the nominal value of a share; (ii) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the offer date; and (iii) the average of the closing prices of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the offer date. The options may be exercised in accordance with the terms of the Share Option Scheme at any time during the option period which may be determined and notified by the Board to the grantee at the time of making an offer. As at the date of this annual report, no options have been granted or agreed to be granted pursuant to the Share Option Scheme. The number of options available for grant under the scheme mandate limit of the Share Option Scheme shall not exceed 100,000,000 as at 1 January 2025 and 31 December 2025.

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

There was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed securities (including sale of treasury shares, if any) during the year ended 31 December 2025.

As at 31 December 2025, the Company did not hold any treasury shares.

BORROWINGS

As at 31 December 2025, the Group had no borrowings.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme as set out above, no equity-linked agreements were entered into by the Company during the year ended 31 December 2025, or subsisted at the end of the year.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

Save as disclosed under the paragraph headed "Connected Transactions" on pages 35 to 37 of this annual report, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which any of the members of the Group was a party during the year.

MANAGEMENT CONTRACT

No contracts concerning the management and administration of the whole or any substantial part of the Group's business subsisted during the financial year ended 31 December 2025.

CONTRACTS OF SIGNIFICANCE

During the year under review, save as disclosed in the paragraph headed "Connected Transactions" in this annual report, there was no contract of significance or contract of significance for the provision of services between the Company or any of its subsidiaries and a controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2025, the aggregate revenue attributable to the largest customer and the five largest customers of the Group accounted for approximately 9.9% and 18.1% of the Group's total sales for the year respectively.

Guangzhou Clifford Hospital Company Limited* (廣東祈福醫院有限公司) (member of the WM Healthcare Group (as defined below)), Guangzhou Clifford Business Centre Management Company Limited* (廣州市祈福商務中心經營管理有限公司) (member of the Private Group (as defined below)), Guangzhou Panyu Clifford Estates Property Development Company Limited* (廣州市番禺祈福新邨房地產有限公司) (member of the Private Group), and Guangzhou Panyu Clifford Estates Resort Club Company Limited * (廣州市番禺祈福新邨渡假俱樂部有限公司) (member of the Private Group), were four of the Group's five largest customers for the year ended 31 December 2025. Save as disclosed above, none of the Directors, their close associates or any Shareholder who, to the knowledge of the Directors, owned more than 5% of the Company's issued share capital (excluding treasury shares, if any), had any interest in any of the Group's five largest customers for the year ended 31 December 2025.

During the year ended 31 December 2025, the aggregate purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for approximately 2.3% and 6.4% of the Group's total purchases for the year respectively.

None of our Directors, their close associates or any Shareholders who, to the knowledge of our Directors, owned more than 5% of the Company's issued share capital (excluding treasury shares, if any), had any interest in any of the Group's five largest suppliers for the year ended 31 December 2025.

SUBSIDIARIES

Details of the subsidiaries of the Company as at 31 December 2025 are set out in note 29 to the consolidated financial statements.

FOREIGN EXCHANGE RISK

Details of the foreign exchange risk are set out in note 33(A)(i) to the consolidated financial statements.

DISCLOSURE UNDER RULE 13.20 OF THE LISTING RULES

The Directors are not aware of any circumstances resulting in the responsibility of disclosure under Rule 13.20 of the Listing Rules regarding the provision of advances by the Company to an entity.

CONNECTED TRANSACTIONS

The Company entered into the following continuing connected transactions during the year ended 31 December 2025. Details of the transactions are set out below:

Connected Persons

1. **Private Group**

   Ms. MAN Lai Hung is one of the controlling Shareholders, an executive Director, the chief executive officer of the Company and the chairman of the Board (the "**Chairman**"). The spouse of Ms. MAN Lai Hung, Mr. PANG Lun Kee Clifford, controls or owns 30% or more of the issued share capital of certain companies (the "**Private Group**"). Being an associate of Ms. MAN Lai Hung, members of the Private Group are connected persons of the Company under Rule 14A.12 of the Listing Rules.

2. **Ms. MAN Lai Hung's Group**

   Ms. MAN Lai Hung's Group comprises the WM Healthcare Group and the WM Non-HC Group (both as defined below) ("**Ms. MAN Lai Hung's Group**").

   (a) *WM Healthcare Group*

   WM Healthcare Group comprises such companies which were/are under the control of (or 30% or more of the issued share capital of which are owned by) Ms. MAN Lai Hung, which are principally engaged in the provision of hospital/clinical, elderly and postpartum care services, healthcare and related services in the Chinese Mainland (some of which are former members of the Private Group and have become members of the WM Healthcare Group upon the completion of the WM Healthcare Group Reorganisation (as defined below) being implemented during 2020 and 2021) (the "**WM Healthcare Group**"). The ultimate controlling shareholder of WM Healthcare Group is Ms. MAN Lai Hung, who is an executive Director, the chief executive officer of the Company, the Chairman and a controlling Shareholder. Each being an associate of Ms. MAN Lai Hung, members of the WM Healthcare Group (including Clifford Medical Group Limited (祈福醫療集團有限公司) ("**Clifford Medical**")) are connected persons of the Company under the Listing Rules.

   (b) *WM Non-HC Group*

   WM Non-HC Group comprises such companies which were or are under the control of (or 30% or more of the issued share capital of which are owned by) Ms. MAN Lai Hung, other than the Group and the WM Healthcare Group (the "**WM Non-HC Group**"). The ultimate controlling shareholder of the WM Non-HC Group (including Foshan City Nanhai Clifford Xianhu Hotel Company Limited* (佛山市南海祈福仙湖酒店有限公司) ("**Clifford Xianhu Hotel**")) is Ms. MAN Lai Hung. As such, members of the WM Non-HC Group (including Clifford Xianhu Hotel) are also associates of Ms. MAN Lai Hung, and hence connected persons of the Company under the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS

2024 Master Tenancy Agreements and 2024 Master Composite Services Agreements

2024 Master Tenancy Agreements

On 16 October 2024, the Company (for itself and on behalf of its subsidiaries) (as tenant) entered into (i) a master tenancy agreement ("**2024 MTA No. 1**") with Clifford Estates (Panyu) Limited* (廣州市番禺祈福新邨房地產有限公司) ("**Clifford Estates Panyu**") (for itself and on behalf of other members of the Private Group) (as landlord); and (ii) a master tenancy agreement ("**2024 MTA No. 2**") with Clifford Medical (for itself and on behalf of other members of the WM Healthcare Group) (as landlord), pursuant to which (i) the Group will lease from the Private Group certain premises mainly operating as business outlets, offices, warehouses and/or other related purposes; and (ii) the Group will lease from the WM Healthcare Group two premises in the Chinese Mainland mainly operating as convenience stores. Each of the 2024 MTA No. 1 and 2024 MTA No. 2 has a term of three years commenced from 1 January 2025 and ending on 31 December 2027. For the 2024 MTA No. 1, the Group set annual caps, which represent the total value of right-of-use assets relating to the leases to be entered into by the Group under the 2024 MTA No. 1, for each of the three financial years ending 31 December 2025, 2026 and 2027 which are RMB15.8 million, RMB18.2 million and RMB8.6 million, respectively. During the year ended 31 December 2025, amounts payable/paid by the Group under the 2024 MTA No. 1 amounted to approximately RMB7.8 million.

As the 2024 MTA No. 2 and the transactions contemplated thereunder are fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapters 14 and 14A of the Listing Rules, brief details of 2024 MTA No. 2 and the transactions contemplated thereunder are also included in this report for the Shareholder's information only.

2024 Master Composite Services Agreements

On 16 October 2024, the Company (for itself and on behalf of its subsidiaries) (as service providers) entered into (i) a master composite services agreement ("**2024 MCSA No. 1**") with Clifford Estates Panyu (for itself and on behalf of other members of the Private Group) and Clifford Xianhu Hotel (for itself and on behalf of other members of the WM Non-HC Group) (as receiving parties); and (ii) a master composite services agreement ("**2024 MCSA No. 2**") with Clifford Medical (for itself and on behalf of other members of the WM Healthcare Group) (as receiving parties), pursuant to which the Group agreed to provide the following services to the respective receiving parties for a term of three years commenced from 1 January 2025 and ending on 31 December 2027: (a) living services, i.e. procurement, property management, laundry, resident support, employment placement services and property agency services; (b) engineering and maintenance services; and (c) telecommunication services, on and subject to the respective terms and conditions contained therein. The Group set annual caps in respect of the transactions contemplated under (i) the 2024 MCSA No. 1 for each of the three financial years ending 31 December 2025, 2026 and 2027 which are RMB79.3 million, RMB82.4 million and RMB86.0 million, respectively; and (ii) the 2024 MCSA No. 2 for each of the three financial years ending 31 December 2025, 2026 and 2027 which are RMB46.7 million, RMB47.8 million and RMB49.5 million, respectively. During the year ended 31 December 2025, amounts receivable/received by the Group under the 2024 MCSA No. 1 and the 2024 MCSA No. 2 amounted to approximately RMB33.2 million and RMB36.8 million respectively.

The 2024 MTA No. 1, 2024 MCSA No. 1 and 2024 MCSA No. 2 and the annual caps contemplated thereunder were unanimously passed as ordinary resolutions of the Company in the extraordinary general meeting held on 18 December 2024. For details, please refer to the Company's announcement dated 18 December 2024.

For details of the 2024 MTA No. 1, 2024 MTA No. 2, 2024 MCSA No. 1 and 2024 MCSA No. 2, please refer to the Company's announcement dated 16 October 2024 and the Company's circular dated 21 November 2024.

The independent non-executive Directors have reviewed the abovementioned continuing connected transactions undertaken during the year, and confirmed that such transactions were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms and on terms no less favourable to the Group than terms available from independent third parties; and

(iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Moore CPA Limited, Certified Public Accountants, the Company's independent auditor, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

For the purpose of Rule 14A.56 of the Listing Rules, Moore CPA Limited, the independent auditor of the Company, has provided a letter to the Board, confirming that nothing has come to their attention that causes them to believe the continuing connected transactions abovementioned:

(i) have not been approved by the Board;

(ii) were not, in all material respects, in accordance with the pricing policies of the Group if the transactions involve provision of goods and services by the Group;

(iii) were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(iv) have exceeded the annual cap as set by the Company with respect to the aggregate amount of each of the continuing connected transactions.

The Company confirmed that it has followed its pricing policies when determining the price and terms of the continuing connected transactions conducted during the year.

The Directors confirm that the Company has complied with the requirements of Chapter 14A of the Listing Rules in respect of all of its continuing connected transactions.

SIGNIFICANT RELATED PARTY TRANSACTIONS

In connection with the significant related party transactions as set out in note 31 to the consolidated financial statements, save for the transactions set out in section headed "Connected Transactions" in this Report of the Directors, these related party transactions do not constitute connected transactions or continuing connected transactions within the meaning of Chapter 14A of the Listing Rules. For the year ended 31 December 2025, the Company complied with the disclosure requirements of Chapter 14A of the Listing Rules.

COMPLIANCE WITH THE DEED OF NON-COMPETITION

Please refer to page 52 of the Corporate Governance Report of this annual report for details.

COMPLIANCE WITH LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular those having a significant impact on the Group, such as the Listing Rules and the revised Hong Kong Financial Reporting Standards. The Audit Committee is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of the relevant employees and relevant operation units from time to time. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

Save as disclosed in the section headed "Relationship with the Controlling Shareholders" of the prospectus of the Company, during the year ended 31 December 2025, none of the Directors or any of their respective associates engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

EMOLUMENT POLICY

The Group's emolument policy is designed to attract, retain and motivate talented individuals to contribute to the success of the business. The emolument policy of the employees of the Group is formulated and reviewed by the Remuneration Committee. Emoluments are determined on the basis of the employees' merit, qualifications and competence.

The emoluments of the Directors are proposed by the Remuneration Committee to the Board, having regard to the Group's operating results, individual performance and comparable market statistics.

The Group operates a Mandatory Provident Fund Scheme ("**MPF Scheme**") under rules and regulations of the Mandatory Provident Fund Schemes Ordinance of Hong Kong for all its employees in Hong Kong. All employees of the Group in Hong Kong are required to join the MPF Scheme. Contributions are made based on a percentage of the employees' salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed to the MPF Scheme. No forfeited contribution is available to reduce the contribution payable in the future years as at 31 December 2025.

The Group's subsidiaries in the Chinese Mainland, in compliance with the applicable regulations of the Chinese Mainland, participated in a state-managed retirement benefits scheme operated by the local government. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement benefits schemes. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions. During the year under review, the total amounts contributed by the Group to the schemes and costs charged to the consolidated income statement represent contribution payable to the schemes by the Group at rates specified in the rules of the schemes.

During the period under review, total emolument of RMB79.4 million was charged to the consolidated income statement, representing RMB2.4 million for the Directors' remuneration and RMB77.0 million for other staff's salaries and allowance.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

CORPORATE GOVERNANCE

The Directors recognise the importance of good corporate governance in the management of the Group. The Company has adopted the code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Listing Rules. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 41 to 60 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, it is confirmed that the Company has maintained a sufficient public float throughout the year ended 31 December 2025 and up to the date of this annual report.

TAX RELIEF AND EXEMPTION

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

PERMITTED INDEMNITY PROVISION

The Articles of Association provides that every Director is entitled to be indemnified out of the assets of the Company from and against all actions, costs, charges, losses, damages and expenses which he/she may sustain by reason of any act done, concurred in or omitted in or about the execution of his/her duty, or supposed duty, in his/her office or trusts, provided that the indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to him/her.

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for the Directors and officers of the Company.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 were audited by Moore CPA Limited who shall retire at the forthcoming AGM and, being eligible, will offer themselves for re-appointment. A resolution will be proposed at the forthcoming AGM for the re-appointment of Moore CPA Limited as the independent auditor of the Company.

On behalf of the Board

MAN Lai Hung
Chairman, Chief Executive Officer and Executive Director

Hong Kong, 27 March 2026

CORPORATE GOVERNANCE REPORT

The Board is pleased to report to the Shareholders on the corporate governance of the Company for the year ended 31 December 2025.

GOVERNANCE CULTURE

The Group is committed to ensuring that its affairs are conducted in accordance with high ethical standards. This reflects its belief that, in achieving its long-term objectives, it is imperative to act with probity, transparency and accountability. By so acting, the Company believes that the benefits of the Shareholders will be maximised in the long term and that it will benefit the Group's employees, business and the communities in which the Group operates.

Corporate governance plays an important role in ensuring that the Group is effectively managed with an appropriate system of risk management and internal controls supporting regulatory compliance, good business practices and sustainability. The Board is committed to maintaining and developing robust corporate governance practices that are intended to ensure:

- satisfactory and sustainable returns to Shareholders;
- that the interests of those who deal with the Company are safeguarded;
- that overall business risk is understood and managed appropriately;
- the delivery of high-quality products and services to the satisfaction of customers; and
- that high ethical standards are maintained.

The Group will continuously review and adjust, if necessary, its business strategies and keep track of the changing market conditions to ensure prompt and proactive measures will be taken to respond to the changes and meet the market needs to foster the sustainability of the Group.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to achieving high corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

The Company has applied the principles as set out in the CG Code contained in Appendix C1 to the Listing Rules.

The Board is of the view that throughout the year ended 31 December 2025, the Company has complied with all the code provisions as set out in Part 2 of the CG Code, except for the deviation from code provisions B.2.4(b) and C.2.1 as explained below.

Pursuant to code provision B.2.4(b), if all independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director to the board at the forthcoming annual general meeting. As at the date of this annual report, all independent non-executive Directors have served more than nine years on the Board. The Company and the Nomination Committee are in the process of identifying a new independent non-executive Director based on the candidates' experience and factors as required under Rule 3.13 of the Listing Rules to meet the requirement under code provision B.2.4(b). Further announcement(s) will be made by the Company in this regard as and when appropriate.

The Company is committed to enhancing its corporate governance practices appropriate to the operation and growth of its business and to reviewing such practices from time to time to ensure that they comply with statutory and professional standards and align with the latest development.

CORPORATE GOVERNANCE
REPORT

Model Code for Securities Transactions

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions.

Specific enquiry has been made by the Company with all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2025.

The Company has also established written guidelines (the "**Employees Written Guidelines**") with terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company.

BOARD OF DIRECTORS

The Company is headed by the Board which assumes responsibility for effective leadership and control and is collectively responsible for promoting the Company's success by directing and supervising the Company's affairs. Directors make decisions objectively in the best interests of the Company and its Shareholders.

The Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business and regularly reviews the contribution required from a Director to perform his responsibilities to the Company and whether the Director is spending sufficient time performing them that are commensurate with his/her role and the responsibilities of the Board. The Board has a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which enables the Directors to effectively exercise independent judgement.

Board Composition

The Board currently comprises seven Directors, consisting of three executive Directors, one non-executive Director and three independent non-executive Directors.

During the year ended 31 December 2025 and up to the date of this annual report, the Board comprises the following Directors:

Executive Directors

Ms. MAN Lai Hung *(Chairman and Chief Executive Officer)*
Ms. HO Suk Mee
Mr. LAU Chun Pong *(Chief Financial Officer) (appointed with effect from 1 November 2025)*

Non-executive Director

Mr. LIU Xing*
Ms. LIANG Yuhua *(resigned on 31 October 2025)*

Independent Non-executive Directors

Ms. LAW Elizabeth
Mr. HO Cham
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)

* Mr. LIU Xing has been re-designated from an executive Director to a non-executive Director with effect from 1 November 2025.

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical information of the Directors including the relationships among the members of the Board, is set out in the section headed "Directors' Profile" of this annual report.

To the best knowledge of the Company, there is no other financial, business or family relationship among the members of the Board.

BOARD MEETINGS AND DIRECTORS' ATTENDANCE RECORDS

Code provision C.5.1 of the CG Code provides that regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the year ended 31 December 2025, the Company adopted the practice of holding Board meetings regularly for at least four times a year at approximately quarterly intervals to discuss overall strategy as well as operations and financial performance of the Group. The Board held seven meetings during the year ended 31 December 2025. Apart from regular Board meetings, the Chairman also held one meeting with independent non-executive Directors only without the presence of other Directors during the year. The independent non-executive Directors and non-executive Director have attended the general meeting of the Company to gain and develop a balanced understanding of the views of the Shareholders.

Board Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to the Directors in advance. Notice of regular Board meetings is served to all Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given.

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least three days before each Board meeting or committee meeting to keep Directors apprised of the latest development and financial position of the Company and to enable them to make decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The senior management normally will attend regular Board meetings and where necessary, other Board and Board committee meetings, to advise on business development, financial and accounting matters, statutory and regulatory compliance, corporate governance and other major aspects of the Company.

The Articles of Association contains provisions requiring Directors to abstain from voting and not to be counted in the quorum at the meetings for approving transactions in which such Directors or any of their associates have a material interest.

The secretary of the meetings is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and final version of them are open for Director's inspection.

CORPORATE GOVERNANCE REPORT

Attendance Records of Directors

The attendance records of the Directors at the Board, Board committees and general meetings of the Company held during the year ended 31 December 2025 are set out below:

Name of Director	Number of Attendance/Number of Meeting(s)					
	Board	Audit Committee	Remuneration Committee	Nomination Committee	ESG Committee	Annual General Meeting(1)
Ms. MAN Lai Hung	6/7	N/A	2/2	2/2	3/3	1/1
Ms. HO Suk Mee	7/7	N/A	N/A	N/A	3/3	1/1
Mr. LIU Xing	6/7	N/A	N/A	N/A	N/A	1/1
Ms. LIANG Yuhua(2)	6/7	N/A	N/A	N/A	N/A	1/1
Mr. LAU Chun Pong(3)	1/7	N/A	N/A	N/A	N/A	N/A
Ms. LAW Elizabeth	7/7	3/3	2/2	2/2	3/3	1/1
Mr. HO Cham	7/7	3/3	N/A	2/2	N/A	1/1
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)	6/7	3/3	2/2	N/A	3/3	1/1

Notes:

(1) The annual general meeting of the Company was held on 20 June 2025.

(2) A non-executive Director resigned with effect from 31 October 2025.

(3) An executive Director appointed with effect from 1 November 2025.

Chairman and Chief Executive Officer

Code provision C.2.1 of Part 2 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

The roles of the Chairman and chief executive officer of the Company are held by Ms. MAN Lai Hung. However, the Board considers that Ms. MAN Lai Hung has in-depth knowledge and experience in the Group's businesses in the Chinese Mainland and therefore it is in the best interests of the Group for her to take up the dual roles of the Chairman and chief executive officer of the Company. The Board believes that the combined roles of Ms. MAN Lai Hung can provide the Company with strong and consistent leadership that facilitates effective and efficient planning and implementation of business decisions and strategies, and should be overall beneficial to the management and development of the Group's business. The structure is supported by the Company's well established corporate governance practices and internal control policies.

Independent Non-executive Directors

During the year ended 31 December 2025, the Board at all times met the requirements of Rules 3.10 and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

Each independent non-executive Director has entered into an appointment letter with the Company for a term of three years commenced from 1 November 2025 and the appointment letter shall continue unless and until terminated by not less than three months' notice in writing served by either party to another.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors to be independent.

Board Independence Evaluation

The Company has established a Board independence evaluation mechanism which sets out the processes and procedures to ensure a strong independent element on the Board, which allows the Board to effectively exercise independent judgement to better safeguard Shareholders' interests.

The objectives of the evaluation mechanism are to improve Board effectiveness, maximise strengths, and identify 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.

Pursuant to the Board independence evaluation mechanism, the Board will conduct an annual review independently. A Board Independence Evaluation Report will be prepared and presented to the Board which will then collectively discuss the results and the action plan for improvement, if appropriate.

During the year ended 31 December 2025, all Directors completed the independence evaluation in the form of an individual questionnaire which is supplemented by individual interviews. A Board independence evaluation report was presented to the Board and the evaluation results were satisfactory.

During the year ended 31 December 2025, the Board reviewed the implementation and effectiveness of the Board independence evaluation mechanism and the results were satisfactory.

Board Performance

The Company conducted a formal review of the Board's performance in January 2026, facilitated by an external service provider.

Each Director completed an anonymous online survey assessing effectiveness of the Board and its committees and providing comments on potential areas for improvement. The Board survey covered topics including Board structure and responsibilities, Board leadership, and Board operation and dynamics. These areas collectively encompassed Board composition and skills, Board culture and dynamics, Board practices, the quality and timeliness of information to the Board, Board meetings, compliance and training, risk management and internal controls, and stakeholder engagement.

The survey achieved a 100% response rate. Overall response was positive, with no material issues identified. Based on the survey results, the Board concluded that its current practices remain effective.

Appointment and Re-election of Directors

The non-executive Directors (including independent non-executive Directors) were appointed for a specific term of three years, subject to renewal after the expiry of the current term.

The Articles of Association provides that all Directors appointed to fill a casual vacancy shall be subject to re-election by Shareholders at the first annual general meeting after appointment.

Under 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, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The retiring Directors shall be eligible for re-election.

Responsibilities of the Directors

The Board should assume responsibility for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides directions to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including the non-executive Director and the independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive Directors (including the independent non-executive Directors) make various contributions to the effective direction of the Company.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board by bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

All Directors shall carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Directors shall disclose to the Company details of other offices held by them.

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, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

The Board has clearly set out the circumstances under which the management should report to and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company. The Board regularly reviews the above said circumstances and ensures that they remain appropriate.

If any substantial Shareholder or Director has a potential conflict of interest in a matter to be considered at a general meeting or by the Board, the relevant Directors shall abstain from voting and a Board meeting attended by independent non-executive Directors who have no material interest in the matter shall be held to discuss and vote on the same. Save as disclosed above, there are no relationships (including financial, business, family or other material/relevant relationship(s)) among the Board members.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director has received formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of the Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company. Mr. LAU Chun Pong has confirmed that he has obtained the legal advice referred to under Rule 3.09D of the Listing Rules on 1 November 2025 and understands his obligations as a director of a listed issuer under the Listing Rules.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading materials on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2025, the Company organised a number of training sessions for all Directors. The training sessions covered a wide range of relevant topics, including Directors' duties and responsibilities, corporate governance and regulatory updates. In addition, relevant reading materials including compliance manual, legal and regulatory updates and seminar handouts have been provided to the Directors for their reference and studying.

A summary of trainings received by the Directors during the year ended 31 December 2025 according to the records provided by the Directors is as follows:

Directors	Types of Trainings[1]
Executive Directors	
Ms. MAN Lai Hung	A, B
Ms. HO Suk Mee	A, B
Mr. LAU Chun Pong *(appointed with effect from 1 November 2025)*	A, B
Non-executive Director	
Mr. LIU Xing *(re-designated from an executive Director to a non-executive Director with effect from 1 November 2025)*	A, B
Ms. LIANG Yuhua *(resigned on 31 October 2025)*	A, B
Independent Non-executive Directors	
Ms. LAW Elizabeth	A, B
Mr. HO Cham	A, B
Mr. MAK Ping Leung (alias Mr. MAK Wah Cheung)	A, B

Note:

(1) Types of Training

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

BOARD COMMITTEES

The Board has established four committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee, and the ESG Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their respective authority and duties.

Audit Committee

As at 31 December 2025, the Audit Committee consisted of three independent non-executive Directors, namely Ms. LAW Elizabeth (Chairman), Mr. HO Cham and Mr. MAK Ping Leung (with Ms. LAW Elizabeth possessing the appropriate professional qualifications and accounting and related financial management expertise).

The terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The main duties of the Audit Committee are to assist the Board in providing an independent review of the completeness, accuracy and fairness of the financial information of the Group, as well as the efficiency and effectiveness of the Group's operation and internal control system.

During the year ended 31 December 2025, the Audit Committee held three meetings to review, in respect of the year ended 31 December 2025, the interim and annual financial results and reports and significant issues on the financial reporting, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, re-appointment of external auditor and engagement of non-audit services and relevant scope of works, connected transactions and arrangements for employees to raise concerns about possible improprieties. The Audit Committee has been provided with sufficient resources to discharge its duties.

The Audit Committee also met the external auditor twice without the presence of the executive Directors.

Remuneration Committee

As at 31 December 2025, the Remuneration Committee consisted of two independent non-executive Directors, namely Mr. MAK Ping Leung (Chairman) and Ms. LAW Elizabeth and one executive Director, Ms. MAN Lai Hung.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary functions of the Remuneration Committee include reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management, and the remuneration policy and structure for all Directors and senior management, establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration and reviewing and/or approving matters relating to share schemes under Chapter 17 of the Listing Rules.

During the year ended 31 December 2025, the Remuneration Committee held two meetings to review and make recommendations to the Board on the remuneration policy and structure of the Company and the remuneration packages of the executive, non-executive and independent non-executive Directors and the senior management, assess the performance of executive Directors, approve the terms of executive Directors' service contracts, review and/or approve matters relating to share schemes under Chapter 17 of the Listing Rules and other related matters.

The Company's remuneration policy is to ensure that the remuneration offered to employees, including Directors and senior management, is based on skills, knowledge, responsibilities and involvement in the Company's affairs. The remuneration packages of executive Directors are also determined with reference to the prevailing market conditions and the performance or contribution of each executive Director. The remuneration for the executive Directors comprises basic salary, pensions and fees. Executive Directors may receive share options and awards to be granted under the Company's share option scheme and share award scheme (if any). The remuneration policy for non-executive Directors and independent non-executive Directors is to ensure that non-executive Directors and independent non-executive Directors are adequately compensated for their efforts and time dedicated to the Company's affairs, including their participation in Board committees. The remuneration for the non-executive Directors and independent non-executive Directors mainly comprises Director's fee which is determined with reference to his/her duties and responsibilities to the Board. Non-executive Directors and independent non-executive Directors shall not receive share options and awards to be granted under the Company's share option scheme and share award scheme (if any). Individual Directors and senior management have not been involved in deciding their own remuneration.

The Remuneration Committee is also responsible for making recommendations to the Board on the terms of service contracts or letters of appointment of newly appointed executive, non-executive and/or independent non-executive Directors.

Nomination Committee

As at 31 December 2025, the Nomination Committee consisted of one executive Director, Ms. MAN Lai Hung (Chairman), and two independent non-executive Directors, namely Ms. LAW Elizabeth and Mr. HO Cham.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code. The principal duties of the Nomination Committee include reviewing the Board composition, structure and size, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience etc. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the year ended 31 December 2025, the Nomination Committee held two meetings to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, to consider the qualifications of the retiring Directors standing for re-election at the annual general meeting and to consider and recommend to the Board on the appointment and re-designation of Directors. The Nomination Committee considers that an appropriate balance of diversity perspectives of the Board was maintained during the year.

Environmental, Social and Governance Committee

As at 31 December 2025, the ESG Committee consisted of two executive Directors, namely Ms. MAN Lai Hung (Chairman) and Ms. HO Suk Mee, two independent non-executive Directors, namely Ms. LAW Elizabeth and Mr. MAK Ping Leung, and one of the Group's senior staff, Mr. LAU Kwok Chin.

The principal duties of the ESG Committee include, among other things: (i) formulating and reviewing the Group's environmental, social and governance ("**ESG**") liabilities, vision, strategies, framework, principles and policies; (ii) monitoring the channels and means of communication with the Group's stakeholders; (iii) reviewing key ESG trends and related risks and opportunities, and assessing the adequacy and effectiveness of the Group's ESG framework and business model; (iv) overseeing the Group's sustainability performance; (v) overseeing the funding of the initiatives on corporate social responsibilities; and (vi) reviewing the annual sustainability report of the Company and recommending to the Board for approval.

The ESG Committee may seek necessary information from employees within its terms of reference. It is authorised by the Board to obtain external legal or other independent professional advice and to invite outsiders with relevant experience and expertise to attend meetings if required.

During the year ended 31 December 2025, the ESG Committee held three meetings to review the ESG principles and policies of the Group.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in code provision A.2.1 of Part 2 of the CG Code.

During the year ended 31 December 2025, the Board reviewed and monitored the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code and written employee guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such 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 the overall responsibility for evaluating and determining the nature and extent of the risks (including but not limited to business, operational as well as ESG risks) it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Audit Committee and the internal control consultant engaged by the Company assist the Board in leading the management and overseeing the design, implementation and monitoring of the risk management (including but not limited to business, operational as well as ESG-related risks) and internal control systems.

In order to ensure the effective implementation of such policies, we have adopted a series of internal control policies, procedures and programmes designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations, including the following:

- We established an Internal Audit Department in December 2016. The Internal Audit Department is responsible for performing an independent review of the adequacy and effectiveness of the risk management and internal control systems and identifying, evaluating and managing significant risks. The Internal Audit Department examined key issues in relation to accounting, financial policies and practices and provided its findings and recommendations for improvement to the Audit Committee;

- For the purpose of enhancing compliance awareness and knowledge, we have arranged compliance training for our management. The trainings provide information on our internal control policies in relation to compliance with relevant laws and regulations. In addition, during the year ended 31 December 2025, training has also been provided to our Directors and senior management in relation to compliance with the Listing Rules. Also, we expect to provide continuous and regular training when necessary;

- We have engaged external professional advisers as necessary to work with our Group to conduct regular review and assist in full compliance with relevant rules and regulations.

On 27 March 2026, the management reported to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the year ended 31 December 2025. The Directors are of the view that the risk management and internal control systems are adequate and effective.

At the Board meeting held on 27 March 2026, the Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the effectiveness of the Company's and its subsidiaries' risk management and internal control systems, including the financial, operational and compliance controls, for the year ended 31 December 2025, and considered that such systems are effective and adequate. The annual review also covered the financial reporting, internal audit function, ESG performance and reporting, and staff qualifications, experience and relevant resources.

The Company has developed its disclosure policy which provides a general guide to the Directors, senior management and relevant employees in handling and disseminating confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorised access to and use of inside information are strictly prohibited.

Whistleblowing Policy for Employees to Raise Concerns About Possible Improprieties

The Company is committed to achieving and maintaining the highest standards of openness, probity and accountability. The Company's employees at all levels should conduct themselves with integrity, impartiality and honesty.

The Board has adopted a whistleblowing policy to govern and deal with fairly and properly concerns raised by the Company's employees about any suspected misconduct or malpractice regarding financial reporting, internal control or other matters within the Company.

The Audit Committee shall review regularly the policy and ensure that arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions.

Anti-Corruption Policy

The Group has also in place an anti-corruption policy to safeguard against corruption and bribery within the Group. The Group has an internal reporting channel that is open and available for employees of the Group to report on any suspected corruption and bribery case. Employees can also make anonymous reports to the internal anti-corruption department or the internal audit function, which is responsible for investigating the reported incidents and taking appropriate measures. The Group continues to carry out anti-corruption and anti-bribery activities to cultivate a culture of integrity, and actively organises anti-corruption training and inspections to ensure the effectiveness of its anti-corruption and anti-bribery measures.

During the year ended 31 December 2025, the Company held one anti-corruption training and briefing to all employees. There were no non-compliance cases relating to bribery and corruption.

PERFORMANCE OF THE DEED OF NON-COMPETITION AND OTHER UNDERTAKINGS

The independent non-executive Directors were delegated with the authority to review, on an annual basis, the compliance with the deed of non-competition and other undertakings (the "**Deed of Undertakings**") executed by Ms. MAN Lai Hung and Elland Holdings Limited (the "**Controlling Shareholders**") on 21 October 2016, in favour of the Company. Pursuant to the Deed of Undertakings, each of the Controlling Shareholders has, amongst other matters, irrevocably undertaken to the Company on a joint and several basis that at any time during the Relevant Period (as defined therein), each of them will not or may not, directly or indirectly, compete with the Company's business. A summary of the principal terms of the Deed of Undertakings is set out in the section headed "Relationship with Controlling Shareholders" of the prospectus of the Company. Each of the Controlling Shareholders and her/its close associates has confirmed that she/it had complied with the Deed of Undertakings during the year ended 31 December 2025 and up to the date of this annual report. The independent non-executive Directors were not aware of any non-compliance of the Deed of Undertakings given by the Controlling Shareholders during the year ended 31 December 2025 and up to the date of this annual report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Group for the year ended 31 December 2025.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, announcements relating to disclosure of inside information and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Group's consolidated financial statements, which are put to the Board for approval.

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

The statement of the independent auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditors' Report on pages 61 to 65.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group.

Details of the remuneration of each of the Directors for the year ended 31 December 2025 are set out in note 9 to the consolidated financial statements.

The annual remuneration of the members of the senior management (other than Directors) by band for the year ended 31 December 2025 is set out below:

	Number of individuals
Nil to HK$1,000,000	3
HK$1,000,001 - HK$1,500,000	1
	4

Details of the five individuals with the highest emoluments (including Directors, senior management and employees of the Group) are set out in note 10 to the consolidated financial statements.

AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the total fee paid/payable in respect of audit and non-audit services provided by the Group's external auditor, is set out below:

Category of services	**Fee paid/ payable** RMB'000
Audit services	1,008
Non-audit services – 2025 interim review	550
Total	1,558

COMPANY SECRETARY

Mr. LAU Chun Pong, the company secretary as well as the executive Director, chief financial officer and one of the authorised representatives of the Company, is a full time employee of the Company and has day-to-day knowledge of the Company's affairs. Mr. LAU reports to the Chairman and is responsible for advising the Board on governance matters. The biographical details of Mr. LAU are set out on page 22 of this annual report.

According to Rule 3.29 of the Listing Rules, Mr. LAU Chun Pong has confirmed that he has taken no less than 15 hours of relevant professional trainings during the year ended 31 December 2025.

DIVIDEND POLICY

The Board aims at providing sustainable returns to the Shareholders whilst retaining adequate reserves for the Group's future development. As disclosed in the announcement of the Company dated 27 March 2026, the Board has adopted a revised dividend policy (the "**Revised Dividend Policy**") with effect from 27 March 2026. According to the Revised Dividend Policy, dividends may be proposed and/or declared by the Board for a financial year or period as interim dividend, final dividend, special dividend and any distribution of net profits that the Board may deem appropriate. The declaration, payment and amount of dividends will be subject to the Board's discretion and (if required) the approval of Shareholders. Subject to the factors set out below, the final dividends to be declared and paid by the Company to the Shareholders shall be no less than 25% of the Company's audited consolidated profit attributable to the owners of the Company in any financial year.

The Board shall take into account the following factors of the Group when considering the declaration and payment of dividends:

- results of operations;
- cash flows;
- financial position;
- statutory and regulatory restrictions on the dividends paid by the Group;
- future prospects; and
- others factors which the Board considers relevant.

The payment of dividends by the Company is also subject to all applicable laws and regulations and the Articles of Association.

For details of the previous dividend policy adopted by the Company, please refer to the Company's announcement dated 27 March 2024.

BOARD DIVERSITY POLICY

The Board has adopted a Board Diversity Policy on 21 October 2016 (the "**Board Diversity Policy**") which sets out the basic principles to be followed to ensure that the Board has the appropriate balance of skills, experience and diversity of perspectives necessary to enhance the effectiveness of the Board and to maintain high standards of corporate governance.

Board nomination and appointments will continue to be made on merit basis based on its business needs from time to time while taking into account diversity. The Nomination Committee has primary responsibility for identifying individuals suitably qualified to become members of the Board and selecting, or making recommendations to the Board on the selection of, individuals nominated for directorships.

Selection of Board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

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. All Board appointments will be based on merit and candidates will be considered against appropriate criteria, having due regard to the benefits of diversity on the Board.

The Nomination Committee is responsible for reviewing the Board Diversity Policy, developing and reviewing measurable objectives for implementing the Board Diversity Policy and monitoring the progress on achieving these measurable objectives.

The Nomination Committee shall review this Board Diversity Policy and the measurable objectives, as appropriate, to ensure the continued effectiveness of the Board.

An analysis of the Board's current composition based on the measurable objectives is set out below:

Gender
Male: 4 Directors
Female: 3 Directors

Age Group
51–60: 2 Directors
61–70: 3 Directors
71–80: 2 Directors

Designation
Executive Directors: 3 Directors
Non-executive Director: 1 Director
Independent Non-executive Directors: 3 Directors

Educational Background
Business Administration: 1 Director
Accounting and Finance: 2 Directors
Legal: 2 Directors
Other: 2 Directors

The Nomination Committee and the Board consider that the current composition of the Board is sufficiently diverse and the Board has not set any measurable objectives.

The Nomination Committee will review the Board Diversity Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

GENDER DIVERSITY

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2025:

	Female	Male
Board	42.86% (3)	57.14% (4)
Other employees	59.09% (455)	40.91% (315)

The Board targeted to achieve and has achieved a Board composition of at least 40% of female Directors and employee composition of at least 40% of female employees of the Group and considers that the current gender diversity is satisfactory. Hence, the Company currently has not adopted any measures or set any plans or measurable objectives to achieve gender diversity.

DIRECTOR NOMINATION POLICY

The Board has delegated its responsibilities and authority for the selection and appointment of Directors to the Nomination Committee.

The Company adopted a director nomination policy on 21 October 2016 which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of knowledge, skills, experience, capability and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.

The procedures of appointing and re-appointing a Director are summarised as follows:

- the identification of Director candidates by the Nomination Committee based upon suggestions from current Directors, senior management, or recommendations by Shareholders;
- a review of the candidates' qualifications by the Nomination Committee to determine which candidates best meet the Board's required and desired criteria, as further described below;
- interviews of interested candidates, among those who best meet the desired criteria, by the chairman of the Nomination Committee;
- recommendations of candidates to the Board according to a majority vote from the Nomination Committee;

- a report to the Board by the Nomination Committee on the selection process; and
- formal nomination by the Nomination Committee for inclusion in the slate of directors for the annual meeting of Shareholders or appointment by the Board to fill a vacancy during the intervals between Shareholder meetings.

Factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, include but are not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of independent non-executive Directors on the Board and independence of the proposed independent non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s).

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

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

The Company endeavors to maintain an on-going dialogue with Shareholders, in particular, through annual general meetings and other general meetings. The general meetings of the Company provide a platform for communication between the Board and the Shareholders. The chairman of the Board as well as chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees, are available to answer Shareholders' questions at general meetings. A notice to Shareholders is sent by the Company at least 21 clear days before the annual general meeting and at least 14 clear days before all other general meetings.

To promote effective communication, the Company maintains a website (www.cliffordmodernliving.com), where up-to-date information and updates on the Company's financial information, corporate governance practices, biographical information of the Directors and other information are available for public access.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels and a Shareholders' Communication Policy is in place to ensure that Shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

To safeguard Shareholders' interests and rights, separate resolutions should be proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Procedures for Shareholders to Convene an Extraordinary General Meeting

Article 64 of the Articles of Association provides that any one or more Shareholders holding, at the date of deposit of the requisition, not less than one-tenth of the voting rights at general meetings in the share capital of the Company shall have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Directors for the transaction of any business specified in such requisition. Such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Directors fail to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

Procedures for Shareholders to Propose a Person for Election as a Director

Article 112 of the Articles of Association provides that if a Shareholder, who is duly qualified to attend and vote at general meetings of the Company, wishes to propose a person ("**Candidate**") for election as a Director at a general meeting, he/she/it should lodge (i) a written notice of the intention to propose the Candidate for election as a Director; and (ii) a written notice by the Candidate of his/her willingness to be elected at either the headquarters and principal place of business of the Company (8 Shiguang Road, Panyu, Guangzhou, Guangdong, the Chinese Mainland) or the Hong Kong share registrar of the Company (Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong) at least seven clear days before the date of the general meeting and the period for lodgement of such notices shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and shall be at least seven clear days in length.

Procedures for Putting Forward Proposals at General Meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her/its proposal ("**Proposal**") with his/her/its detailed contact information at the headquarters and principal place of business of the Company in the Chinese Mainland, with a copy of the Proposal served to the Company's Hong Kong share registrar at their respective addresses and contact details set out on page 2 of this annual report.

The request will be verified with the Company's Hong Kong share registrar and upon their confirmation that the request is proper and in order, the Board will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

(1) Notice of not less than 21 clear days in writing if the Proposal requires approval in an annual general meeting of the Company; and

(2) Notice of not less than 14 clear days in writing if the Proposal requires approval in an extraordinary general meeting of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address:	7th Floor, Chai Wan Industrial City, Phase II, 70 Wing Tai Road, Chai Wan, Hong Kong (For the attention of the Board of Directors/Company Secretary)
Telephone:	(852) 2889 0183
Fax:	(852) 2889 2422
Email:	pr@cliffordmodernliving.com.hk

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

SHAREHOLDERS' COMMUNICATION POLICY

The Company has in place a Shareholders' communication policy. The policy aims to set out the provisions with the objective of ensuring that Shareholders and, in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Group (including its financial performance, strategic goals and plans, material developments and governance), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company. During the year, the Board reviewed the implementation and effectiveness of the Shareholders' communication policy, including the measures taken at general meetings, the handling of enquiries received (if any) and existing communication channels available, and the results were satisfactory.

The Company has established a number of channels for maintaining an on-going dialogue with its Shareholders as follows:

(a) Shareholders' or Investors' Enquiries

Shareholders should direct their questions about their shareholdings to the Company or the Company's share registrar. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders and the investment community shall be provided with designated contacts, correspondence addresses, email addresses and enquiry lines in order to enable them to make any query in respect of the Group.

(b) Corporate Communication

"Corporate communication" refers to any document issued or to be issued by the Company for the information or action of holders of any of its securities, including, but not limited to, annual reports, interim reports, notices of meeting, circulars and proxy forms. They will be provided to Shareholders in plain language and in both English and Chinese versions to facilitate Shareholders' understanding.

(c) Corporate Website

A dedicated investor relations section is available on the Company's website at www.cliffordmodernliving.com. Information on the Company's website is updated on a regular basis. Information released by the Company to the Stock Exchange is also posted on the Company's website simultaneously or immediately thereafter. Such information includes financial statements, results announcements, circulars and notices of general meetings and associated explanatory documents. All press releases issued by the Company will be made available on the Company's website.

(d) Shareholders' Meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meetings. Appropriate arrangements for the general meetings shall be in place to encourage Shareholders' participation. The process of the Company's general meetings will be monitored and reviewed on a regular basis, and, if necessary, changes will be made to ensure that Shareholders' needs are best served. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditors will use all reasonable efforts to attend annual general meetings to answer Shareholders' questions.

(e) Investment Market Communications

Investors' and analysts' briefings and one-on-one meetings, media interviews, etc. will be available on a regular basis in order to facilitate communication between the Company, Shareholders and the investment community. The Directors and employees of the Group who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the disclosure obligations and requirements under the Company's corporate disclosure policy.

AMENDMENTS TO CONSTITUTIONAL DOCUMENT

During the year ended 31 December 2025, no changes were made to the Memorandum of Association and Articles of Association. The latest version of the Memorandum of Association and Articles of Association is available on the Company's website and the Stock Exchange's website.

INDEPENDENT AUDITOR'S REPORT

MOORE

Moore CPA Limited
1001-1010, North Tower, World Finance Centre,
Harbour City, 19 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

大華馬施雲會計師事務所有限公司
香港九龍尖沙咀廣東道19號
海港城環球金融中心北座1001-1010室

T +852 2375 3180
F +852 2375 3828

www.moore.hk

Independent Auditor's Report to the Shareholders of
Clifford Modern Living Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Clifford Modern Living Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 66 to 153, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and the notes to the consolidated financial statements, including material accounting policy information.

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

BASIS FOR OPINION

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

KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The impairment of trade receivable (Refer to Notes 4(a), 19 and 33(A)(iii) to the consolidated financial statements).

Key Audit Matter	How our audit addressed the Key Audit Matter
As disclosed in Note 19, the gross amount and expected credit loss ("**ECL**") amount of trade receivables of the Group amounted to approximately RMB33,283,000 and RMB7,892,000, respectively, as at 31 December 2025. The trade receivables comprised mainly the receivables from corporate customers of information technology services, and retail services, of which certain credit terms were granted by the Group. Impairment provision of trade receivables and contract assets was made based on an assessment of the lifetime expected credit losses to be incurred, including an assessment of the risk of default and the expected loss rate. In performing the assessment, management considered the credit quality of the counter parties by taking into account of their financial position, credit history and other factors, as well as the prevailing market conditions. Both current and future general economic conditions were also taken into consideration by management in the estimation. Management also regularly reviewed the recoverability of trade receivables and billing of contract assets and followed up the disputes or amounts overdue, if any. As at 31 December 2025, impairment provision made for the trade receivables amounted to RMB7,892,000. Because of the magnitude of trade receivables and the significance of management judgements in analysing the expected credit loss of the trade receivables, we therefore identified such as a key audit matter.	Out key procedures to address the matter included: – Understanding, evaluating and valuating the key controls relating to management's assessment performed on the expected credit losses of the trade receivables and contract assets, including aging analysis review and regular assessment performed on collectability of the receivable balances; – Sending and obtaining audit confirmations on major outstanding trade receivable balances as at 31 December 2025; – Testing, on a sampling basis, the accuracy of aging analysis of trade receivables prepared by the management; – Obtaining management's assessment on the expected credit losses of trade receivables, assessing its reasonableness with reference to the reasons behind the outstanding settlement, aging profile, historical settlement patterns, evaluated adjustment made to the historical loss rates based on current economic conditions and forward-looking information by checking to the published macroeconomics factors, and examining the actual losses recorded during the current financial year, and corroborated management's explanation to underlying documentation and correspondences with the counter parties; and – Testing, on a sampling basis, the subsequent settlement of trade receivables to cash receipts and the related supporting documentation.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 December 2025 of the Group, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards issued by the HKICPA 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 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.

The directors of the Company are assisted by those charged with governance in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed term 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

As part of an audit in accordance with HKSAs, 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.

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

From the matter communicated with those charged with governance, we determine that matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe that matter 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.

Moore CPA Limited
Certified Public Accountants

Leung Yu Ngong
Practising Certificate Number: P06734

Hong Kong, 27 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Revenue	6	**320,272**	367,385
Cost of sales		**(154,000)**	(198,017)
Gross profit		**166,272**	169,368
Other income and gains, net	6	**208,101**	21,136
Selling and marketing expenses		**(34,214)**	(36,194)
Administrative expenses		**(26,226)**	(22,335)
Reversal of impairment loss on trade and other receivables, net	19	**1,013**	349
Finance costs	7	**(1,942)**	(2,321)
Profit before taxation	8	**313,004**	130,003
Income tax expense	11	**(28,375)**	(32,464)
Profit and total comprehensive income for the year attributable to owners of the Company		**284,629**	97,539
Earnings per share for profit attributable to the owners of the Company (expressed in RMB):			
– Basic and diluted	13	**0.280**	0.096

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	14	3,976	5,995
Investment properties	15	12,121	17,362
Right-of-use assets	16	11,181	18,969
Intangible assets	17	829	1,049
Investment in unallocated silver bullion	18	344,082	141,290
Other receivables	19	3,961	6,614
Term deposit	22(a)	–	80,000
Deferred tax assets	25(a)	898	1,115
		377,048	272,394
Current assets			
Inventories	20	8,181	9,714
Trade and other receivables	19	46,004	35,216
Contract assets	21	1,368	4,637
Term deposits	22(a)	80,000	–
Restricted cash	22(b)	648	647
Cash and cash equivalents	22(c)	204,772	282,912
		340,973	333,126
Current liabilities			
Trade and other payables	23	67,576	73,780
Contract liabilities	24	15,847	19,826
Lease liabilities	16	10,253	13,763
Tax payables		8,306	8,968
		101,982	116,337
Net current assets		238,991	216,789
Total assets less current liabilities		616,039	489,183
Non-current liabilities			
Lease liabilities	16	20,254	31,377
Deferred tax liabilities	25(b)	5,165	4,696
		25,419	36,073
Net assets		590,620	453,110

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	**8,876**	8,876
Share premium	26	**179,333**	179,333
Other reserves	27	**(99,649)**	(99,969)
Retained earnings		**502,060**	364,870
Total equity		**590,620**	453,110

The consolidated financial statements on pages 66 to 153 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

Ms. MAN Lai Hung
Chairman & Chief Executive Officer & Executive Director

Ms. HO Suk Mee
Executive Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

		Attributable to owners of the Company				
	Notes	**Share capital** RMB'000 (Note 26)	**Share premium** RMB'000 (Note 26)	**Other reserves** RMB'000 (Note 27)	**Retained earnings** RMB'000	**Total equity** RMB'000
Balance at 1 January 2024		8,876	179,333	(99,151)	612,176	701,234
Comprehensive income						
Profit and total comprehensive income for the year		–	–	–	97,539	97,539
Transactions with owners of the Company						
Special dividends declared by the Company	12	–	–	–	(305,816)	(305,816)
Final dividends declared by the Company	12	–	–	–	(39,847)	(39,847)
De-registration of subsidiaries	27	–	–	(353)	353	–
Disposal of a subsidiary	27	–	–	(594)	594	–
Appropriation to statutory reserves	27	–	–	129	(129)	–
Balance at 31 December 2024 and 1 January 2025		8,876	179,333	(99,969)	364,870	453,110
Comprehensive income						
Profit and total comprehensive income for the year		–	–	–	284,629	284,629
Transactions with owners of the Company						
Special dividends declared by the Company	12	–	–	–	(104,942)	(104,942)
Final dividends declared by the Company	12	–	–	–	(42,177)	(42,177)
Appropriation to statutory reserves	27	–	–	320	(320)	–
Balance at 31 December 2025		**8,876**	**179,333**	**(99,649)**	**502,060**	**590,620**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before taxation		**313,004**	130,003
Adjustments for:			
– Depreciation of property, plant and equipment	14	**2,167**	2,567
– Depreciation of investment properties	15	**4,593**	4,987
– Depreciation of right-of-use assets	16	**7,032**	6,380
– Amortisation of intangible assets	17	**168**	321
– Loss on disposal of property, plant and equipment, net	6	**62**	159
– Loss on disposal of intangible assets, net	6	**108**	29
– Gain on derecognition of right-of-use assets and investment properties due to entering into finance lease as lessor	6	**(401)**	(1,404)
– Gain on early termination of leases	6	**(673)**	(1,724)
– Loss on derecognition of investment properties due to early termination of lease	15	**–**	799
– Gain on modification of leases	6	**(485)**	(201)
– Loss on modification of financial lease	6	**715**	–
– Interest expenses on lease liabilities	16	**1,942**	2,321
– Gain on disposal of a subsidiary		**–**	(158)
– Fair value gain on investment in unallocated silver bullion	18	**(202,792)**	(12,929)
– Reversal of impairment loss on trade and other receivables, net	19	**(1,013)**	(349)
– Exchange difference, net	6	**1,324**	6,986
– Interest income		**(4,337)**	(10,602)
Operating profit before working capital changes		**121,414**	127,185
Increase in restricted cash		**(1)**	(1)
Decrease in inventories		**1,533**	625
Decrease in contract assets		**3,269**	1,089
(Increase)/decrease in trade and other receivables		**(6,116)**	1,138
Decrease in contract liabilities		**(3,979)**	(4,443)
Decrease in trade and other payables		**(6,204)**	(2,134)
Cash generated from operations		**109,916**	123,459
Income tax paid		**(28,351)**	(39,681)
Net cash generated from operating activities		**81,565**	83,778

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	Notes	2025 RMB'000	2024 RMB'000
Cash flows from investing activities			
Purchases of property, plant and equipment	14	**(496)**	(878)
Purchases of intangible assets	17	**(218)**	(513)
Proceeds from disposal of property, plant and equipment		**286**	42
Proceeds from disposal of intangible assets		**162**	–
Proceeds from purchases of unallocated silver bullion	18	**–**	(77,857)
Decrease in term deposits		**–**	40,000
Net cash inflows from disposal of a subsidiary		**–**	71
Interest received		**1,859**	7,277
Net cash generated from/(used in) investing activities		**1,593**	(31,858)
Cash flows from financing activities			
Repayment of lease liabilities – principal		**(12,237)**	(12,168)
Repayment of lease liabilities – interest		**(1,942)**	(2,321)
Payments of dividends	12(a)	**(104,942)**	(345,663)
Net cash used in financing activities		**(161,298)**	(360,152)
Net changes in cash and cash equivalents		**(78,140)**	(308,232)
Cash and cash equivalents at beginning of year		**282,912**	591,144
Cash and cash equivalents at end of year	22(c)	**204,772**	282,912

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. GENERAL INFORMATION

Clifford Modern Living Holdings Limited (the "**Company**") was incorporated in the Cayman Islands on 6 January 2016 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is located at 7th Floor, Chai Wan Industrial City, Phase II, 70 Wing Tai Road, Chai Wan, Hong Kong.

The Company's shares were listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") on 8 November 2016 (the "**Listing**"). In the opinion of the directors of the Company, the ultimate holding company of the Group is Elland Holdings Limited, a company incorporated in the British Virgin Islands which is wholly owned by Ms. Man Lai Hung ("**Ms. Man**").

The Company is an investment holding company. The Company and its subsidiaries (hereinafter collectively referred to as the "**Group**") are primarily engaged in the provision of services to residents in properties developed under the brand name of Clifford, including retail services, catering services, property management services, laundry services, off-campus training services, property agency services, employment placement services, information technology services, etc, in the mainland of People's Republic of China (the "**Chinese Mainland**").

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated, which is the same as the functional currencies of the Company and its subsidiaries. All values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PREPARATION

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

The consolidated financial statements have been prepared on the historical cost basis except for the investment in unallocated silver bullion which have been measured at fair value at the end of the reporting period, as explained in the accounting policies set out below.

The consolidated financial statements have been prepared on the basis consistent with the accounting policies adopted in the consolidated financial statements for the year ended 31 December 2024 except for the adoption of the revised HKFRS Accounting Standards that is relevant to the Group and effective from the current period as set out in note (a).

It should be noted that accounting estimates and assumptions have been used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates.

2. BASIS OF PREPARATION (CONTINUED)

(a) Amended standard adopted by the Group

In the current year, the Group has adopted, for the first time, the following revised HKFRS Accounting Standard issued by the HKICPA, which is relevant and mandatorily effective for the accounting period beginning on 1 January 2025 for the preparation of the Group's consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability

The above amendment does not have a material effect on how the Group's financial performance and financial position for the current or prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards not yet effective for the financial year beginning on 1 January 2025 and not early adopted by the Group

The Group has not early adopted any of the following new and amendments to HKFRS Accounting Standards, which have been issued but are not yet effective, in these consolidated financial statements:

		Effective for annual reporting periods beginning on or after
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Group has already commenced an assessment of the related impact of adopting the above new and revised standards, interpretation and amendments to HKFRS Accounting Standards. According to the preliminary assessment made by the directors of the Company, except for the new HKFRS Accounting Standards mentioned below, no significant impact on the financial performance and position of the Group is expected when they become effective.

2. BASIS OF PREPARATION (CONTINUED)

(b) New and amendments to HKFRS Accounting Standards not yet effective for the financial year beginning on 1 January 2025 and not early adopted by the Group (continued)

HKFRS 18 *Presentation and Disclosure in Financial Statements*

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 *Presentation of Financial Statements*. Whilst many of the requirements will remain consistent, the new standard introduces new requirements to present specified categories and defined subtotals in the consolidated statement of profit or loss and other comprehensive income; provide disclosures on management-defined performance measures in the notes to the consolidated financial statements and improve aggregation and disaggregation of information to be disclosed in the primary financial statements and the notes. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 *Statement of Cash Flows* and HKAS 33 *Earnings per Share* are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the consolidated statement of profit or loss and other comprehensive income and disclosures in the future financial statements. The Group is currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted in the preparation of the consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and 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.

The financial statements of the subsidiaries are prepared for the same reporting period as 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. 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.

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.

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

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(a) Basis of consolidation (continued)

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(b) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statement, are identified from the financial information provided regularly to the 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.

Individually 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.

No geographic information is shown as the revenue and profit from operations of the Group are mainly derived from activities in the Chinese Mainland.

(c) Translation of foreign currency

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in the consolidated statement of profit or loss and other comprehensive income within "Other income and gains/(losses), net".

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(d) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the item has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the consolidated income statement in the year in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in future economic benefits expected to be obtained from the use of the item, the expenditure is capitalised as an additional cost of the item. When an item of property, plant and equipment is sold, its cost and accumulated depreciation are removed from the consolidated financial statements and any gain or loss resulting from the disposal, being the difference between the net disposal proceeds and the carrying amount of the asset, is included in the consolidated income statement.

Depreciation is provided on the straight-line method, based on the estimated economic useful life of the individual assets, as follows:

– Machinery	3-15 years
– Vehicles	3-15 years
– Office equipment	3-5 years
– Leasehold improvements	Over the remaining life of the lease, about 2-10 years
– Other equipment	3-5 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

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 disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other income and gains/(losses), net" in the consolidated statement of profit or loss and other comprehensive income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(e) Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Investment properties also include lease properties which are being recognised as right-of-use assets and subleased by the Group under operating lease. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the consolidated income statement in the year in which they arise.

An investment property is derecognised upon disposal or when the investment property permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in consolidated profit or loss in the period of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties or inventories, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at the date and its previous carrying amount is recognised in the consolidated income statement.

(f) Intangible assets

The Group's intangible assets represent computer software. Intangible assets acquired separately and with finite useful lives are carried at costs less accumulated amortisation and accumulated impairment losses, if any. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The Group's intangible assets are amortised on the straight-line basis over their estimated useful lives of 1 to 10 years.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the consolidated income statement when the asset is derecognised.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases

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.

For contracts entered into or modified or arising from business combinations on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under HKFRS 16 at inception, modification date or acquisition date, as appropriate. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

a) When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

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

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

Right-of-use assets

The cost of right-of-use asset includes:

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases (Continued)

a) When the Group is the lessee: (Continued)

Right-of-use assets (Continued)

Except for those that are classified as investment properties, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

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

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position.

Right-of-use assets which meets the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 3(e).

Refundable rental deposits

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

Lease liabilities

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

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases (Continued)

a) When the Group is the lessee: (Continued)

Lease liabilities (Continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

– There is a change in future lease payments arising from changes in an index or rate;

– There is a change in the Group's assessment of whether it will exercise an extension option; or

– There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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

Short term and low value leases

The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that triggered those lease payments.

b) When the Group is the lessor:

The Group leases equipment under finance leases and office spaces, retail stores and investment properties under operating leases to non-related parties.

Lessor – Finance leases

Leases where the Group has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(g) Leases (Continued)

b) When the Group is the lessor: (Continued)

Lessor – Finance leases (Continued)

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to finance lease receivables and reduce the amount of income recognised over the lease term.

Lessor – Operating leases

Leases where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

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

Lessor – Subleases

In classifying a sublease, the Group as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Group recognise lease income from sublease in profit or loss within "Other income". The right-of-use asset relating to the head lease is not derecognised.

For contract which contains lease and non-lease components, the Group allocates the consideration based on a relative stand-alone selling price basis.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Investments and other financial assets

Initial recognition and measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

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

Subsequent measurement

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)
The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

- The contractual terms of the financial asset 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 are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as revenue in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the consolidated statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(h) Investments and other financial assets (continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(i) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and other receivables (excluding prepayments) and contract assets, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 33 for more details.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(j) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and lease liabilities.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(k) Investment in unallocated silver bullion

As disclosed in Note 18, the investment in unallocated silver bullion was made by the Group through the bank during the year. Given that the underlying asset of the investment contract is a kind of commodity, the settlement of investment contract is either sell their unallocated silver bullion to third parties through the bank at the exit price (i.e. bid price reference to London Silver Spot Price) or collect the unallocated silver bullion in physical form at the Group's sole discretion, and such transaction is not within the normal course of business of the Group but for long term capital appreciation. The management of the Company considered it is appropriate to develop the following accounting policy for the recognition and measurement of the investment in unallocated silver bullion and apply it consistently:

"On initial recognition, the investment of unallocated silver bullion is measured at fair value with the gain or loss arising from subsequent changes in the fair value of the investment to be included in the profit or loss in the period in which they arise.

Expenditures that are directly attributable to the investment in unallocated silver bullion are expensed in the profit or loss."

(l) Inventories

Inventories are assets which are held for sale in the ordinary course of business. Inventories are carried at the lower of cost and net realisable value. Cost, which comprises purchase price and other costs directly attributable to acquisition of inventories, is determined using the first-in first-out method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period 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.

(m) Cash and cash equivalents, restricted cash and term deposits

In the consolidated statement of cash flows, cash and cash equivalents include cash on hand and deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank deposits which are restricted to use are included in "restricted cash" of the consolidated statement of financial position. Bank deposits with initial terms of over three months are included in "term deposits" in the consolidated statement of financial position. Restricted cash and term deposits with initial terms of over three months are excluded from cash and cash equivalents.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, 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; and

- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(n) Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, 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; and

- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Revenue recognition

The Group establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) identify the contract(s) with customer; (2) identify separate performance obligations in a contract; (3) determine the transaction price; (4) allocate transaction price to performance obligations; and (5) recognise revenue when performance obligation is satisfied. The Group recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services based on transfer of control. The Group recognises revenue when a performance obligation is satisfied. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(i) Property management fee

Revenue from property management services (both under lump sum basis and under commission basis) and resident support services is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

For property management services, the Group bills a fixed amount for services provided on a monthly basis and recognises as revenue in the amount to which the Group has a right to bill and that corresponds directly with the value of performance completed.

For property management service income from properties managed under lump sum basis, where the Group acts as principal, the Group entitles to revenue at the value of property management service fee received by the property management companies. For property management service income from properties managed under commission basis, where the Group acts as an agent of the property owner, the Group entitles revenue at a pre-determined percentage of the property management fee received by the property management companies.

(ii) Retail services – sales of goods and commission income

The Group operates two supermarkets and several convenient stores for selling commodities. Sales of goods are recognised when control of the goods has been transferred to the customers. Commission income from concessionaire sales is recognised upon delivery of goods.

(iii) Provision of property agency services

The Group provides property agency services on the residential communities, including property sales agency services, property lease agency services. Agency commission income is recognised when a buyer and seller or lessee and lessor execute a legally binding sale or lease agreement and when the relevant agreement becomes unconditional and irrevocable.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Revenue recognition (continued)

(iv) Provision of information technology services

The Group provides information technology services, which primarily involves provision of information technology services, related engineering services, security system and hardware and software integration, and telecommunication services.

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on construction assets under the control of customer and therefore the Group's construction activities create or enhance an asset under our customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs. The directors of the Company consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under HKFRS 15.

Where the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

Costs to fulfil a contract

The Group incurs costs to fulfil a contract in its construction activities. The Group first assesses whether these costs qualify for recognition as an asset in terms of other relevant standards, failing which it would recognise these costs as an asset only if they meet all of the following criteria:

(a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

(b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

(c) the costs are expected to be recovered.

The asset so recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. The asset is subject to impairment review.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(o) Revenue recognition (continued)

(v) Provision of other services

The Group also provides various services, such as laundry services, off-campus training services, catering services, employment placement services, etc. Revenue is recognised in the accounting period in which the services are rendered as the customer simultaneously receives and consumes the benefits provided by the Group's performance when the Group performs.

(vi) Rental income

The Group's policy for recognition of revenue from operating leases is described in Note 3(g).

(vii) Interest income

Interest income is recognised using the effective interest method.

If contracts involve the sale of multiple services, the transaction price allocated to each performance obligation based on their relative stand-alone selling prices. If the stand-alone selling prices are not directly observable, they are estimated based on expected cost plus a margin or adjusted market assessment approach, depending on the availability of observable information.

When either party to a contract has performed, the Group presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the Group's performance and the customer's payment.

A contract asset is the Group's right to consideration in exchange for services that the Group has transferred to a customer.

If a customer pays consideration or the Group has a right to an amount of consideration that is unconditional, before the Group transfers services to the customer, the Group presents the contract as a contract liability when the payment is received or a receivable is recorded (whichever is earlier). A contract liability is the Group's obligation to transfer services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A receivable is recorded when the Group has an unconditional right to consideration. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Incremental costs incurred to obtain a contact, if recoverable, are capitalised and presented as assets and subsequently amortised when the related revenue is recognised. The Group applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense immediately if the amortisation period is less than 12 months.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(p) Employee benefits

(i) Pension obligations

The Group companies incorporated in the Chinese Mainland contribute funds, based on certain percentage of the salaries of the employees, to a defined contribution retirement benefit plan organised by relevant government authorities in the Chinese Mainland on a monthly basis. The government authorities undertake to assume the retirement benefit obligations payable to all existing and future retired employees under these plans and the Group has no further legal or constructive obligation for post-retirement benefits beyond the contributions made.

The Group also participates in a retirement benefit scheme under the rules and regulations of the Mandatory Provident Fund Scheme Ordinance ("**MPF Scheme**") for all employees in Hong Kong. The contributions to the MPF Scheme are based on minimum statutory contribution requirement of the lower of 5% of eligible employees' relevant aggregate income and Hong Kong Dollars ("**HK$**") 1,500. The assets of this MPF Scheme are held separately from those of the Group in independently administered funds.

Contributions to these defined contributions plans are expensed as incurred.

(ii) Housing benefits

Chinese Mainland employees of the Group are entitled to participate in government-sponsored housing funds. The Group contributes to these funds based on certain percentages of the salaries of these employees on a monthly basis. The Group's liability in respect of these funds is limited to the contribution payable in each period. Contributions to the housing funds are expensed as incurred.

(iii) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(q) Fair value measurement

The Group measures its equity, fund and debt investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(q) Fair value measurement (Continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

(s) Related parties

(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 the Group's parent.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(s) 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 parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

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

4. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires the directors of the Company to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The directors of the Company have considered the development, selection and disclosure of the Group's critical accounting judgements and estimates.

Judgements

In the process of applying the Group's accounting policies, the directors of the Company have made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Impairment of trade and other receivables and contract assets

The Group makes allowances on trade and other receivables and contract assets based on assumptions about risk of default and expected loss rates. The Group used judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, 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 receivables and doubtful debt expenses in the periods in which such estimate has been changed. For details of the key assumptions and inputs used, see Note 33(A)(iii).

(b) Income taxes

The Group is subject to corporate income taxes in the Chinese Mainland and profits tax in Hong Kong. Judgement is required in determining the amount of the provision for taxation and timing of payment of the related taxations. 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 current income tax and deferred tax provisions in the period in which such determination is made.

(c) Operating lease – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

5. SEGMENT INFORMATION

Information reported to the executive directors of the Company, who are the chief operating decision makers ("**CODM**") of the Group, was specifically focused on the segments of retail services, information technology services, property management services, off-campus training services, property agency services, catering services and other services for the purpose of resource allocation and performance assessment. These divisions are the basis on which the Group reports its segment information under HKFRS 8 "*Operating Segments*".

The CODM considers business from a product and service perspective and has identified the following seven operating segments:

– Retail services, which includes sales of goods, concessionaire services and sub-leasing services;

– Information technology services, which includes engineering work, engineering maintenance and telecommunication services;

– Property management services, which include property management services, resident support services, household cleaning services and sub-leasing services;

– Off-campus services, which include training programmes of interest classes and language classes and sub-leasing services;

– Property agency services, which include real estate agency services, rental agency services and after-rental services;

– Catering services, which include catering services to schools and catering consultancy services;

– Laundry services and employment placement services; and

– Other services.

The CODM evaluates the performance of the operating segments based on segment revenue and results and segment assets and liabilities. Segment results exclude other income and gains, net, finance costs, central administration expenses, income tax expense. Segment assets exclude investment in unallocated silver bullion, term deposits, restricted cash, cash and cash equivalents and deferred tax assets and segment liabilities exclude deferred tax liabilities as these items are centrally driven by the Group.

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results

The segment revenue and results and the reconciliation with profit for the year are as follows:

For the year ended 31 December 2025

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off-campus training services RMB'000	Property agency services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	125,666	18,637	116,882	29,299	6,255	16,346	12,342	325,427
Inter-segment revenue	(712)	(709)	(2,408)	(868)	–	(458)	–	(5,155)
Revenue	124,954	17,928	114,474	28,431	6,255	15,888	12,342	320,272
Timing of revenue recognition								
At a point in time	97,968	127	–	–	5,586	15,888	3,931	123,500
Over time	26,986	17,801	114,474	28,431	669	–	8,411	196,772
	124,954	17,928	114,474	28,431	6,255	15,888	12,342	320,272
Segment results	19,101	8,421	68,715	12,282	3,198	1,753	4,899	118,369
Other income and gains, net								208,101
Finance costs								(1,942)
Unallocated expenses								(11,524)
Income tax expense								(28,375)
Profit for the year								284,629
Segment results include:								
Depreciation and amortisation	(8,815)	(405)	(2,259)	(1,558)	(279)	(460)	(184)	(13,960)
Loss on disposal of property, plant and equipment, net	(16)	–	(29)	–	–	(17)	–	(62)
Reversal of/(provision for) impairment loss on trade and other receivables, net	626	772	(1)	–	5	17	(406)	1,013

5. SEGMENT INFORMATION (CONTINUED)

Segment revenue and results (Continued)

For the year ended 31 December 2024

	Retail services RMB'000	Information technology services RMB'000	Property management services RMB'000	Off-campus training services RMB'000	Property agency services RMB'000	Catering services RMB'000	Others RMB'000	Total RMB'000
Gross segment revenue	139,608	18,886	89,620	37,467	5,318	65,342	16,629	372,870
Inter-segment revenue	(193)	(682)	(2,866)	(944)	–	(800)	–	(5,485)
Revenue	139,415	18,204	86,754	36,523	5,318	64,542	16,629	367,385
Timing of revenue recognition								
At a point in time	108,057	592	–	–	5,127	63,410	16,590	193,776
Over time	31,358	17,612	86,754	36,523	191	1,132	39	173,609
	139,415	18,204	86,754	36,523	5,318	64,542	16,629	367,385
Segment results	22,767	6,353	64,216	19,857	1,606	875	5,143	120,817
Other income and gains, net								21,136
Finance costs								(2,321)
Unallocated expenses								(9,629)
Income tax expense								(32,464)
Profit for the year								97,539
Segment results include:								
Depreciation and amortisation	(8,422)	(424)	(1,855)	(1,952)	(316)	(1,169)	(117)	(14,255)
Loss on disposal of property, plant and equipment, net	–	(98)	–	(2)	–	–	(59)	(159)
(Provision for)/reversal of impairment loss on trade and other receivables, net	(481)	505	(5)	–	(4)	4	330	349

5. SEGMENT INFORMATION (CONTINUED)

The segment assets and liabilities and the reconciliation with total assets and liabilities of the Group are as follows:

	2025 RMB'000	2024 RMB'000
Segment assets		
Retail services	**38,242**	41,146
Information technology services	**15,327**	13,267
Off-campus training services	**10,230**	13,516
Property management services	**18,929**	16,816
Property agency services	**276**	338
Catering services	**1,651**	12,647
Others	**2,966**	1,826
Total segment assets	**87,621**	99,556
Investment in unallocated silver bullion	**344,082**	141,290
Term deposits	**80,000**	80,000
Restricted cash	**648**	647
Cash and cash equivalents	**204,772**	282,912
Deferred tax assets	**898**	1,115
Total assets	**718,021**	605,520
Segment liabilities		
Retail services	**43,550**	52,236
Information technology services	**11,056**	11,315
Off-campus training services	**24,097**	25,876
Property management services	**31,568**	28,948
Property agency services	**477**	573
Catering services	**5,378**	24,061
Others	**6,110**	4,705
Total segment liabilities	**122,236**	147,714
Deferred tax liabilities	**5,165**	4,696
Total liabilities	**127,401**	152,410

These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets and liabilities.

5. SEGMENT INFORMATION (CONTINUED)

As at 31 December 2025, more than 70% (2024: more than 75%) and more than 25% (2024: more than 20%) of the Group's non-current assets other than financial assets, investment in unallocated silver bullion and deferred tax assets are situated in the Chinese Mainland and in Hong Kong, respectively.

During the year ended 31 December 2025, more than 90% (2024: more than 90%) of the Group's revenue were derived from activities carried out and from customers located in the Chinese Mainland and no geographical segment analysis is prepared.

(a) Assets and liabilities related to contracts with customers

The Group has recognised the following contract assets and liabilities related to contracts with customers:

	Notes	**2025 RMB'000**	2024 RMB'000
Contract assets	21	**1,368**	4,637
Contract liabilities	24	**15,847**	19,826

(i) Revenue recognised in relation to contract liabilities

The following table shows the revenue recognised that was included in the balance of contract liabilities at the beginning of the year:

	2025 RMB'000	2024 RMB'000
Off-campus training services	**11,058**	13,728
Information technology services	**2,016**	721
Retail services	**108**	135
Property management services	**2,287**	2,375
Catering services	**4,352**	7,182
Others	**5**	148
	19,826	24,289

5. SEGMENT INFORMATION (CONTINUED)

(a) Assets and liabilities related to contracts with customers (Continued)

(ii) Unsatisfied performance obligations

For property management services, the Group recognises revenue in the amount that equals to the right to invoice, and for information technology services, the Group recognised revenue over time, using an input method to measure progress towards complete satisfaction of the service, because the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced. The input method recognises revenue based on the proportion of the actual costs incurred relative to the estimated total costs for satisfaction of the services.

As at 31 December 2025, the aggregated amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is RMB12,028,000 (2024: RMB9,125,000). This amount represents revenue expected to be recognized in the future from contracts for information technology services entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the service is rendered or worked performed, which is expected to occur within next 12 months (2024: within next 12 to 24 months).

For other services, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not disclosing the remaining performance obligations for these types of contracts.

(iii) Assets recognised from incremental costs to obtain a contract

There were no significant incremental costs to obtain a contract for the year ended 31 December 2025 (2024: nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

6. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue and other income and gains, net is as follows:

	2025 RMB'000	2024 RMB'000
Revenue from contracts with customers within the scope of HKFRS 15, analysed by types of goods or services:		
Sales of goods	**105,765**	118,727
Engineering work income	**10,303**	10,378
Property management services	**96,754**	62,934
Off-campus training services	**25,531**	31,907
Property agency services	**6,118**	5,156
Resident support services income	**15,130**	18,012
Catering service income	**15,888**	64,542
Household cleaning income	**128**	4,666
Laundry services	**880**	1,335
Concessionaire services income	**7,467**	8,367
Employment placement services	**10,465**	13,830
Engineering maintenance income	**4,056**	3,904
Telecommunication service income	**3,569**	3,922
Procurement service fee	**853**	1,445
After-rental service income from property agency services	**137**	162
Others	**144**	19
	303,188	349,306
Revenue from other sources:		
Sub-leasing income	**17,084**	18,079
	320,272	367,385

6. REVENUE, OTHER INCOME AND GAINS, NET (CONTINUED)

	Notes	2025 RMB'000	2024 RMB'000
Other income and gains, net			
– Interest income on cash and cash equivalents		**1,566**	6,881
– Interest income on term deposits		**2,478**	3,325
– Interest income on long term receivables		**293**	396
– Gain on derecognition of right-of-use assets and investment properties upon entering into finance lease as lessor		**401**	1,404
– Loss on derecognition of investment properties due to termination of lease	15	**–**	(799)
– Loss on modification of financial lease		**(715)**	–
– Loss on foreign exchanges, net		**(1,324)**	(6,986)
– Government grants (Note)		**32**	93
– Loss on disposal of property, plant and equipment, net		**(62)**	(159)
– Loss on disposal of intangible assets	17	**(108)**	(29)
– Gain on early termination of leases	16	**673**	1,724
– Gain on modification of leases	16	**485**	201
– Gain on disposal of a subsidiary	28	**–**	158
– Fair value gain on investment in unallocated silver bullion	18	**202,792**	12,929
– Compensations from tenants		**821**	967
– Others		**769**	1,031
		208,101	21,136

Note: Government grants represented the subsidies received from the local government in support of the business operation. There was no condition to be fulfilled by the Group in relation to the subsidies.

7. FINANCE COSTS

	Note	2025 RMB'000	2024 RMB'000
Interest expenses on lease liabilities	16(B)	**1,942**	2,321

8. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

	Notes	**2025** **RMB'000**	2024 RMB'000
Auditor's remuneration			
– Audit services		**1,008**	958
– Non-audit services		**550**	610
Depreciation charged on:			
– Property, plant and equipment	14	**2,167**	2,567
– Investment properties	15	**4,593**	4,987
– Right-of-use assets	16	**7,032**	6,380
Amortisation of intangible assets	17	**168**	321
Employee benefits expense (including director's remuneration (Note 9)) (Note)			
– Salaries, allowance and benefits in kind		**68,195**	66,279
– Retirement benefit scheme contributions		**10,927**	11,072
Direct operating expenses arising from investment properties that generated rental income		**1,996**	1,917
Cost of inventories recognised as expenses		**73,708**	76,091
Minimum lease payments under short-term operating lease		**774**	1,282
Reversal of impairment loss on trade and other receivables		**(1,013)**	(349)

Note:

Total employee benefits expense of approximately RMB49,734,000 (2024: RMB48,524,000), RMB17,210,000 (2024: RMB18,657,000) and RMB12,178,000 (2024: RMB10,170,000) has been charged to cost of sales, selling and marketing expenses and administrative expenses, respectively for the year ended 31 December 2025.

Employees in the Group's Chinese Mainland subsidiaries are required to participate in a defined contribution retirement scheme administered and operated by the local municipal government. The Group's Chinese Mainland subsidiaries contribute funds which are calculated based on certain percentages of the average employee salary as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

During the year 2025, the Group recognised research and development expenditure amounted to RMBNil (2024: RMB776,000), which includes the depreciation charges, amortisations and employee benefits disclosed above.

No forfeited contributions were available for offsetting against existing contributions during the year (2024: nil).

9. DIRECTORS' REMUNERATION

Director'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 Regulation, is as follows:

	2025 **RMB'000**	2024 RMB'000
Fees	**1,386**	1,379
Salaries, allowances and benefits in kind	**926**	475
Retirement benefit scheme contributions	**43**	32
	2,355	1,886

The directors' emoluments paid or payable by the Group are as follows:

	For the year ended 31 December 2025			
	Fees **RMB'000**	**Salaries, allowances and benefits in kind** **RMB'000**	**Retirement benefit scheme contributions** **RMB'000**	**Total** **RMB'000**
Executive directors				
Ms. Man Lai Hung *(Chairman & Chief Executive Officer)*	**198**	**–**	**–**	**198**
Ms. Ho Suk Mee	**198**	**523**	**16**	**737**
Mr. Liu Xing (Note (i))	**165**	**–**	**8**	**173**
Mr. Lau Chun Pong (Note (ii))	**33**	**403**	**17**	**453**
Non-executive directors				
Ms. Liang Yuhua (Note (iii))	**165**	**–**	**–**	**165**
Mr. Liu Xing (Note (i))	**33**	**–**	**2**	**35**
Independent non-executive directors				
Ms. Law Elizabeth	**198**	**–**	**–**	**198**
Mr. Ho Cham	**198**	**–**	**–**	**198**
Mr. Mak Ping Leung	**198**	**–**	**–**	**198**
Total	**1,386**	**926**	**43**	**2,355**

9. DIRECTORS' REMUNERATION (CONTINUED)

The directors' emoluments paid or payable by the Group are as follows: (Continued)

	For the year ended 31 December 2024			
	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Retirement benefit scheme contributions RMB'000	Total RMB'000
Executive directors				
Ms. Man Lai Hung *(Chairman & Chief Executive Officer)*	197	–	6	203
Ms. Ho Suk Mee	197	475	16	688
Mr. Liu Xing	197	–	10	207
Non-executive director				
Ms. Liang Yuhua	197	–	–	197
Independent non-executive directors				
Ms. Law Elizabeth	197	–	–	197
Mr. Ho Cham	197	–	–	197
Mr. Mak Ping Leung	197	–	–	197
Total	1,379	475	32	1,886

Notes:

(i) Mr. LIU Xing was re-designated from an executive director of the Company to a non-executive director of the Company with effect from 1 November 2025.

(ii) Mr. LAU Chun Pong was appointed as an executive director of the Company with effect from 1 November 2025.

(iii) Ms. LIANG Yuhua resigned as a non-executive director of the Company with effect from 31 October 2025.

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration during the year (2024: nil).

During the year, no remuneration was 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 (2024: nil).

Salaries and other benefits paid to or received by the executive directors of the Company were generally emoluments paid or receivable in respect of those person's salaries in connection with the management of the affairs of the Company and its subsidiaries.

The director's fees shown above were for these services as directors of the Company. The fee paid to or received by non-executive directors and independent non-executive directors were generally emoluments in respect of their services as directors of the Company.

10. FIVE HIGHEST PAID INDIVIDUALS

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2025 included one (2024: one) director of the Company. Details of whose remuneration are set out in Note 9. Details of the remuneration for the year of the remaining four (2024: four) highest paid employees who are not a director of the Company are as follows:

	2025 **RMB'000**	2024 RMB'000
Salaries, allowances and benefits in kind	**3,468**	3,018
Retirement benefit scheme contributions	**382**	308
	3,850	3,326

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

	2025 **RMB'000**	2024 RMB'000
Emolument bands		
Nil-HK$1,000,000	**3**	3
HK$1,000,001–HK$1,500,000	**1**	1
	4	4

11. INCOME TAX EXPENSE

	2025 **RMB'000**	2024 RMB'000
Current income tax:		
– Chinese Mainland corporate income tax	**23,781**	26,686
– Chinese Mainland withholding income tax	**3,779**	11,987
– Hong Kong Profits Tax	**7**	6
– Under-provision in prior years	**122**	36
	27,689	38,715
Deferred tax:		
– Chinese Mainland corporate income tax (Note 25)	**(64)**	599
– Chinese Mainland withholding income tax (Note 25)	**750**	(6,850)
Total deferred tax	**686**	(6,251)
Income tax expense	**28,375**	32,464

11. INCOME TAX EXPENSE (CONTINUED)

Chinese Mainland corporate income tax

The income tax provision of the Group in respect of operations in the Chinese Mainland has been calculated at the applicable tax rate on the estimated assessable profits for the years, based on the existing legislation, interpretations and practices in respect thereof.

The general corporate income tax rate applicable to the Group entities located in the Chinese Mainland ("**Chinese Mainland entities**") is 25% according to the Corporate Income Tax Law of the Chinese Mainland effective on 1 January 2008. A subsidiary of the Company obtained the Certificate of "High and New Technology Enterprise" (the "**Certificate**") with valid period up to 2026, under which, the subsidiary enjoys a preferential corporate income rate of 15%.

Certain subsidiaries of the Group are qualified as the qualifying small enterprises according to the relevant tax law and regulation in the Chinese Mainland are qualified for a reduced effective tax rate of 5% until 31 December 2027.

Chinese Mainland withholding income tax

Chinese Mainland withholding income tax of 10% shall be levied on the dividends declared by Chinese Mainland entities to their foreign investors out of their profits earned after 1 January 2008. A lower 5% withholding tax rate may be applied when the immediate holding companies of the Chinese Mainland subsidiaries are incorporated or operated in Hong Kong and fulfil the requirement to the tax treaty arrangement between the Chinese Mainland and Hong Kong.

During the year, a provision of deferred tax for the earnings of certain profitable Chinese Mainland entities which plan to distribute to the respective overseas immediate holding companies has been made at withholding income tax rate of 5% (2024: 5%).

Hong Kong Profits Tax

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

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% (2024: 16.5%) of the estimated assessable profit for the year.

11. INCOME TAX EXPENSE (CONTINUED)

Overseas Corporate Income Tax

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 of Cayman Islands and is exempted from Cayman Islands income tax. British Virgin Islands subsidiaries were incorporated under the International Business Companies Act of the British Virgin Islands and are exempted from British Virgin Islands income tax.

A reconciliation of the income tax expense applicable to profit before taxation using the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax position at the effective tax rates is as follows:

	2025 **RMB'000**	2024 RMB'000
Profit before taxation	**313,004**	130,003
Tax calculated at the rates applicable to the tax jurisdiction concerned	**57,492**	29,595
Tax effects of income not taxable for tax purposes	**(34,470)**	(4,195)
Tax effects of additional tax deduction of research and development expenses	**–**	(116)
Tax effects of expenses not deductible for tax purposes	**423**	465
Under-provision in prior year	**122**	43
Chinese Mainland withholding income tax	**4,529**	5,137
Others	**279**	1,535
Income tax expense	**28,375**	32,464

12. DIVIDENDS

		2025 RMB'000	2024 RMB'000
(a)	Dividend attributable to previous financial year approved and paid during the year:		
	Final dividend of HK4.30 cents for the year ended 31 December 2023 per share, equivalent to HK$43,677,000	–	39,847
	Final dividend of HK4.50 cents for the year ended 31 December 2024 per share, equivalent to HK$45,709,000	**42,177**	–
	Special dividend of HK33.20 cents for the year ended 31 December 2023 per share, equivalent to HK$337,229,000	–	305,816
	Special dividend of HK11.20 cents for the year ended 31 December 2024 per share, equivalent to HK$113,764,000	**104,942**	–
		147,119	345,663
(b)	Dividend attributable to the year declared but not yet approved at the reporting date#:		
	Final dividend of HK4.50 cents for the year ended 31 December 2024 per share, equivalent to HK$45,709,000	–	41,712
	Final dividend of HK9.50 cents for the year ended 31 December 2025 per share, equivalent to HK$96,496,000	**88,407**	–
		88,407	41,712

The final dividend proposed after the reporting date was not recognised as a liability at the reporting date. In addition, the final dividend is subject to the approval of the shareholders of the Company at the annual general meeting. The amount is translated into RMB at average exchange rate for the years ended 31 December 2025 and 2024.

13. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares for the year ended 31 December 2025 (2024: nil).

	2025	2024
Profit attributable to owners of the Company (RMB)	**284,629,000**	97,539,000
Weighted average number of ordinary shares in issue	**1,015,750,000**	1,015,750,000
Weighted average number of ordinary shares for diluted earnings per share	**1,015,750,000**	1,015,750,000
Basic and diluted earnings per share for profit attributable to the owners of the Company (expressed in RMB)	**0.280**	0.096

14. PROPERTY, PLANT AND EQUIPMENT

	Machinery RMB'000	Vehicles RMB'000	Office equipment RMB'000	Leasehold improvements RMB'000	Other equipment RMB'000	Total RMB'000
As at 1 January 2024						
Cost	3,270	1,212	4,926	25,171	1,882	36,461
Accumulated depreciation	(3,014)	(926)	(3,934)	(19,279)	(1,321)	(28,474)
Net book amount	256	286	992	5,892	561	7,987
Year ended 31 December 2024						
Opening net book amount	256	286	992	5,892	561	7,987
Additions	5	35	70	631	137	878
Disposals	–	(86)	(1)	–	(114)	(201)
Disposal of a subsidiary	–	(102)	–	–	–	(102)
Depreciation charge (Note 8)	(20)	(21)	(455)	(1,830)	(241)	(2,567)
Closing net book amount	241	112	606	4,693	343	5,995
As at 31 December 2024						
Cost	3,275	894	4,972	25,802	885	35,828
Accumulated depreciation	(3,034)	(782)	(4,366)	(21,109)	(542)	(29,833)
Net book amount	241	112	606	4,693	343	5,995
Year ended 31 December 2025						
Opening net book amount	**241**	**112**	**606**	**4,693**	**343**	**5,995**
Additions	**–**	**118**	**158**	**40**	**180**	**496**
Disposals	**(51)**	**(27)**	**(128)**	**–**	**(142)**	**(348)**
Depreciation charge (Note 8)	**(2)**	**(16)**	**(205)**	**(1,788)**	**(156)**	**(2,167)**
Closing net book amount	**188**	**187**	**431**	**2,945**	**225**	**3,976**
As at 31 December 2025						
Cost	**3,176**	**623**	**4,779**	**25,850**	**727**	**35,155**
Accumulated depreciation	**(2,988)**	**(436)**	**(4,348)**	**(22,905)**	**(502)**	**(31,179)**
Net book amount	**188**	**187**	**431**	**2,945**	**225**	**3,976**

15. INVESTMENT PROPERTIES

	Leased properties under sub-lease arrangement RMB'000
Cost	
As at 1 January 2024	29,879
Transferred from right-of-use assets (Note 16) (Note)	10,348
Derecognised due to expiry termination	(3,221)
Derecognised due to expiry of lease	(5,242)
Exchange adjustment	112
As at 31 December 2024 and 1 January 2025	31,876
Transferred to right-of-use assets (Note 16)	(460)
Exchange adjustment	(262)
As at 31 December 2025	31,154
Accumulated depreciation	
As at 1 January 2024	16,637
Depreciation charge (Note 8)	4,987
Derecognised due to early termination	(2,422)
Derecognised due to expiry of lease	(5,242)
Exchange adjustment	554
As at 31 December 2024 and 1 January 2025	14,514
Depreciation charge (Note 8)	4,593
Exchange adjustment	(74)
As at 31 December 2025	19,033
Net book amount	
As at 31 December 2024	17,362
As at 31 December 2025	12,121

Note: The lease located in the Group's HK office premises, with a monthly rental approximately to RMB244,000, for lease term of 5 years.

The net book amount of investment properties which were leased from related parties amounted to RMB12,121,000 (2024: RMB17,362,000).

15. INVESTMENT PROPERTIES (CONTINUED)

Amounts recognised in the profit or loss for investment properties:

	Notes	2025 RMB'000	2024 RMB'000
Sub-leasing income	6	**17,084**	18,079
Depreciation over the term of head lease	8	**(4,593)**	(4,987)

The Group's investment properties are leased properties in relation to operating lease used in sub-leasing business. Certain of the Group's right-of-use assets, which are used in sub-leasing business, meet the definition of investment properties.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses. Valuation is made annually for impairment assessment purposes based on each property's highest and best use using the income capitalisation method. Income capitalisation method is based on capitalising the rental income derived from the existing tenancies, if any, with due provision for the reversionary potential of each constituent portion of the property at appropriate capitalisation rates.

The fair value of the investment properties amounting to approximately RMB36,682,000 (2024: RMB45,046,000) was determined by the independent professional valuer, AVISTA Valuation Advisory Limited ("**AVISTA**").

The valuations of investment properties are arrived at with adoption of income approach. It is a term and reversion method that determines market value by calculating the net rental income derived from existing leases and/or properties available in the current market, taking into account the potential reversals of rental income, and then capitalising the net rental income at an appropriate capitalisation rate to determine market value. The fair value disclosed is categorised as a level 3 recurring fair value measurement. A fair value measurement is usually the point within that range that is most representative of fair value in the circumstances. In estimating the fair value of the properties, the highest and best use of the properties is their current use.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

A. Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Premises RMB'000
Cost	
As at 1 January 2024	51,963
Additions	17,417
Transfer to investment properties (Note 15)	(10,348)
Derecognised due to entering into finance lease as lessor	(1,838)
De-recognition due to expiry of leases	(1,706)
De-recognition due to early termination	(17,117)
Modification of leases	(1,166)
Exchange adjustment	9
As at 31 December 2024 and 1 January 2025	**37,214**
Additions	7,842
Transfer from investment properties (Note 15)	460
Derecognised due to entering into finance lease as lessor	(175)
De-recognition due to expiry of leases	(2,407)
De-recognition due to early termination	(11,467)
Modification of leases	(2,576)
Exchange adjustment	(22)
As at 31 December 2025	**28,869**
Accumulated depreciation	
As at 1 January 2024	23,845
Depreciation charge (Note 8)	6,380
De-recognition due to expiry of leases	(1,706)
De-recognition due to early termination	(9,345)
Modification of leases	(941)
Exchange adjustment	12
As at 31 December 2024 and 1 January 2025	18,245
Depreciation charge (Note 8)	7,032
De-recognition due to expiry of leases	(2,407)
De-recognition due to early termination	(2,450)
Modification of leases	(2,727)
Exchange adjustment	(5)
As at 31 December 2025	**17,688**
Net book amount	
As at 31 December 2024	18,969
As at 31 December 2025	**11,181**

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

A. Right-of-use assets (Continued)

The Group leases various office premises, commercial stores, and training classrooms for self-use, with lease terms ranging from 1 to 10 years, without termination or extension options other than agreed by the Group and the lessors. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

During the year, other income and gains amounting to approximately RMB673,000 (2024: RMB1,724,000) was recognised due to the early termination of the right-of-use assets and lease liabilities (Note 6) as the Group's cessation of provision of catering services to schools in January 2025 (2024: one lease contract was early terminated due to unsatisfactory profitability).

	2025 **RMB'000**	2024 RMB'000
Expense relating to short-term leases	**774**	1,282
Payment of interest portion of lease liabilities	**1,942**	2,321
Payment of principal portion of lease liabilities	**12,237**	12,168
Total cash outflow for leases (Note)	**14,953**	15,771

Note: These amounts were presented in operating and financing cash flows.

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

B. Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	Premises RMB'000
Carrying amount at 1 January 2024	49,802
Accretion of interest during the year (Note 7)	2,321
Additions	17,417
De-recognition due to early termination	(9,496)
Payment of lease liabilities	(14,489)
Modification of leases	(426)
Exchange adjustment	11
Carrying amount at 31 December 2024	45,140
Analysed into:	
Current portion	13,763
Non-current portion	31,377
Carrying amount at 1 January 2025	**45,140**
Accretion of interest during the year (Note 7)	**1,942**
Additions	**7,842**
De-recognition due to early termination	**(9,690)**
Payment of lease liabilities	**(14,179)**
Modification of leases	**(334)**
Exchange adjustment	**(214)**
Carrying amount at 31 December 2025	**30,507**
Analysed into:	
Current portion	**10,253**
Non-current portion	**20,254**

16. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

B. Lease liabilities (Continued)

The maturity analysis of lease liabilities is as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**10,253**	13,763
Over one year but within two years	**8,898**	7,535
Over two years but within five years	**10,711**	15,256
Over five years	**645**	8,586
	30,507	45,140
Analysis into:		
Non-current	**20,254**	31,377
Current	**10,253**	13,763
	30,507	45,140

The future minimum lease payments are as follows:

	2025 RMB'000	2024 RMB'000
Within one year	**11,610**	15,774
Over one year but within two years	**9,756**	9,096
Over two years but within five years	**11,377**	16,638
Over five years	**680**	10,630
Total lease payments	**33,423**	52,138
Less: Finance charges	**(2,916)**	(6,998)
	30,507	45,140

The incremental borrowing rates applied to lease liabilities range from 2.00% to 7.94% (2024: 1.13% to 7.94%).

17. INTANGIBLE ASSETS

	Software RMB'000
As at 1 January 2024	
Cost	3,257
Amortisation	(2,371)
Net book amount	886
Year ended 31 December 2024	
Opening net book amount	886
Additions	513
Amortisation (Note 8)	(321)
Disposal	(29)
Closing net book amount	1,049
As at 31 December 2024	
Cost	3,701
Amortisation	(2,652)
Net book amount	1,049
Year ended 31 December 2025	
Opening net book amount	**1,049**
Additions	**218**
Amortisation (Note 8)	**(168)**
Disposal	**(270)**
Closing net book amount	**829**
As at 31 December 2025	
Cost	**3,314**
Amortisation	**(2,485)**
Net book amount	**829**

18. INVESTMENT IN UNALLOCATED SILVER BULLION

	2025 RMB'000	2024 RMB'000
At 1 January, at fair value	**141,290**	50,504
Additions	**–**	77,857
Fair value gain for the year recognised in profit or loss (Note 6)	**202,792**	12,929
At 31 December, at fair value	**344,082**	141,290

Since the year ended 31 December 2020, the Group invested unallocated silver bullion through a bank in the United Kingdom. The settlement of investment contract is either sell their unallocated silver bullion to third parties through the bank at the exit price or collect the unallocated silver bullion in physical form at the Group's sole discretion.

As at 1 January 2024, the Group held a total of 300,000 ounces of unallocated silver bullion.

On 25 July 2024, 29 July 2024 and 6 August 2024, the Group, purchased an additional 380,000 ounces of unallocated silver bullion, in aggregate, for a total consideration of approximately RMB77.9 million.

As at 31 December 2025 and 31 December 2024, the Group held a total of 680,000 ounces of unallocated silver bullion.

Such investment is held for long-term capital appreciation, and the management of the Company has decided to use the fair value model, with the changes in fair value to be recognised in the profit or loss in the period of changes as explained in Note 3(k).

The fair value of the investment in unallocated silver bullion is measured with reference to their bid price in London Precious Metals Markets (the "**London Bullion Market**"), which is the exit price, at the end of each reporting period. Such investment is subject to financial risk exposure in terms of commodity price risk, to measure the fair value of the investment. The management considers investment in unallocated silver bullion is classified as Level 1 (as defined in Note 3(s)) under fair value hierarchy which based on the degree to which the fair value is observable.

18. INVESTMENT IN UNALLOCATED SILVER BULLION (CONTINUED)

The following table demonstrates the sensitivity to every 5% change in the fair values of the unallocated silver bullion, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

	2025 **RMB'000**	2024 RMB'000
Change in the Group's profit before taxation 5% change in the price of unallocated silver bullion	**17,204**	7,065

The Group is exposed to credit risk in relation to investment in unallocated silver bullion that are measured at fair value through profit or loss. Credit risk refers to the risk that the bank fails to deliver unallocated silver bullion or settle in cash resulting in a loss to the Group. The maximum exposure as at 31 December 2025 is the carrying amount of these investments, amounting to approximately RMB344,082,000 (2024: RMB141,290,000).

The Group expects that there is no significant credit risk associated with investment in unallocated silver bullion since the unallocated silver bullion is deposited in a reputable bank incorporated in the United Kingdom. Management believes the bank has high credit quality without significant credit risk.

Subsequent to the year end, on 9 January 2026 and 12 January 2026, the Group, utilising its internal resources, has disposed of a total of 680,000 ounces of unallocated silver bullion at the aggregate consideration of approximately RMB387.9 million. For further details, please refer to the Company's announcements dated 9 January, 12 January and 14 January 2026 and the circular dated 25 February 2026 respectively.

19. TRADE AND OTHER RECEIVABLES

	2025 RMB'000	2024 RMB'000
Trade receivables (Note (a)):		
– Related parties (Note 31(d))	**12,920**	5,681
– Third parties	**20,363**	19,825
Total trade receivables	**33,283**	25,506
Less: allowance for impairment of trade receivables (Note (d))	**(7,892)**	(8,939)
	25,391	16,567
Amounts placed in Residents' Accounts (Note (b))	**2,083**	1,387
Other receivables:		
– Related parties (Note 31(d))	**3,798**	4,077
– Third parties (Note (c))	**17,522**	18,713
	21,320	22,790
Less: allowance for impairment of other receivables (Note (d))	**(728)**	(694)
	20,592	22,096
Prepayments:		
– Third parties	**1,899**	1,780
Total trade and other receivables	**49,965**	41,830
Analysed into:		
– Non-current (Note (e))	**3,961**	6,614
– Current	**46,004**	35,216
	49,965	41,830

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes:

(a) Trade receivables due from third parties mainly represented the receivables arising from provision of information technology services, the receivables of outstanding property management fee charged on commission basis and receivables of concessionaire services under retail services.

As at 31 December 2025, the credit period granted to trade customers of information technology services, fresh food procurement services of retail services, employment placement services and laundry services varies from one month to one year (2024: one month to one year); the trading of other retail services, catering services and off-campus training services are mainly carried out on cash basis (2024: cash basis).

As at 31 December 2025, the ageing analysis of the trade receivables, net of impairment based on invoice date are as follows:

	2025 RMB'000	2024 RMB'000
Up to 1 year	**23,317**	15,197
1 to 2 years	**926**	393
Over 2 years	**1,148**	977
	25,391	16,567

(b) Certain property management companies of the Group have engaged in the provision of property management services for residential communities on commission basis and opened bank accounts on behalf of the residents ("**Residents' Accounts**"). These Residents' Accounts are used to collect the property management fee and resident support services fee from the residents. The property management companies have undertaken the treasury function for these bank accounts on behalf of the residents pursuant to the property management contracts.

As at 31 December 2025, the residents' funds amounted to approximately RMB145,617,000 (2024: RMB166,610,000) which are not included in the Group's consolidated financial statements.

As at 31 December 2025, amounts placed in Residents' Accounts of RMB2,083,000 (2024: RMB1,387,000) represented the balances of the property management commission fee and resident support service fee entitled by the property management companies of the Group. The fair value of these balances approximates their carrying amounts.

The maximum exposure to credit risk at the reporting dates is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

(c) Other receivables from third parties mainly represents the followings:

	2025 RMB'000	2024 RMB'000
Utilities deposits paid	**1,211**	1,463
Management fee deposits paid	**1,090**	888
Rental deposits paid	**1,294**	822
Finance lease receivables (Note (e))	**5,455**	7,455
Interest receivables	**7,319**	4,841
Others	**1,153**	3,244
	17,522	18,713

The directors of the Company considered that expected credit loss for other receivables from third parties is immaterial in view of no history of default and good repayment history from counter parties.

19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(d) The Group applies the simplified approach to trade receivables due from third parties to provide for expected credit losses prescribed by HKFRS 9. As at 31 December 2025, a provision of RMB8,620,000 (2024: RMB9,633,000) was made against the gross amounts of trade and other receivables.

Details of impairment loss of trade and other receivables are set out in Note 33.

(e) As at 31 December 2025, certain leased properties under subleases were classified as finance leases as the terms of the sub-lease transfer substantially all the risks and rewards incidental to ownership of head lease to the lessee. Amounts due from lessees under finance leases are recognised as finance lease receivables which included in the non-current other receivables and have remaining lease terms ranging from 1 to 8 years (2024: 1 to 9 years).

Finance lease receivables are comprised of the followings:

	2025 **RMB'000**	2024 RMB'000
Amounts receivables under finance leases		
Within 1 year	**1,728**	2,416
2 to 5 years	**3,314**	4,741
Over 5 years	**1,142**	1,341
Undiscounted lease payments	**6,184**	8,498
Less: unearned finance income	**(729)**	(1,043)
Present value of lease payments receivable	**5,455**	7,455
Analysed into:		
– Non-current	**3,961**	5,392
– Current	**1,494**	2,063
	5,455	7,455

The movements in provision for impairment of trade and other receivables are as follows:

	2025		2024	
	Trade receivables RMB'000	**Other receivables RMB'000**	Trade receivables RMB'000	Other receivables RMB'000
At the beginning of the year	**8,939**	**694**	9,451	531
(Reversal)/charge for the year (Note 8)	**(1,047)**	**34**	(512)	163
At the end of the year	**7,892**	**728**	8,939	694

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

20. INVENTORIES

	2025 RMB'000	2024 RMB'000
Merchandise goods	**7,343**	8,728
Raw materials and consumables	**838**	986
	8,181	9,714

21. CONTRACT ASSETS

	2025 RMB'000	2024 RMB'000
Amounts due from customers for contract works:		
– Related parties (Note 31(d))	**1,243**	4,023
– Third parties	**125**	614
	1,368	4,637

Contract assets primarily represents retention receivables relate to the Group's right to consideration for work completed but not yet billed at reporting date arising from construction contracts subject to warranty period. Contract assets are transferred to receivables when the rights become unconditional, that is when the warranty period expires.

The change during the current year is mainly due to the net effect of balance reduced as a result of the change in the time frame for a right to consideration to become unconditional, and balance decreased for the recognition of revenue, as disclosed below.

	2025 RMB'000	2024 RMB'000
At 1 January	**4,637**	5,726
Increase in contract assets as a result of recognising revenue during the year	**123**	208
Decrease in contract assets at the beginning of the year as a result of right to consideration became unconditional	**(3,392)**	(1,297)
At 31 December	**1,368**	4,637

21. CONTRACT ASSETS (CONTINUED)

The maximum exposure to credit risk at the reporting dates is the carrying value of contract assets. The Group does not hold any collateral as security.

As at 31 December 2025, the contract assets that are expected to be recovered after more than 12 months are approximately RMB1,238,000, which represented the retention sum for contract works. The remaining contract assets are expected to be recovered within 12 months.

The Group applies the simplified approach for expect credit losses prescribed by HKFRS 9 and there is no impairment allowance for expected credit loss (2024: nil).

Details of impairment loss of contract assets are set out in Note 33(A)(iii).

22. CASH AND BANK BALANCES

(a) Term deposits

As at 31 December 2025 and 31 December 2024, the term deposits have a maturity in March 2026 and carry interest at prevailing deposit rates of 3.10% per annum. The fair value of the Group's term deposits approximates their carrying amounts. The term deposits are denominated in RMB.

(b) Restricted cash

Restricted cash represents cash deposits in the banks as security for issuance of cash cards according to the relevant regulations in the Chinese Mainland.

(c) Cash and cash equivalents

	2025 **RMB'000**	2024 RMB'000
Cash at banks and on hand	**146,533**	112,633
Short-term bank deposits	**58,239**	170,279
	204,772	282,912

As at 31 December 2025, short-term bank deposits are made for varying periods of not more than three months which carried interest at prevailing deposit rates ranging from 0.05% to 3.1% (2024: 1.15% to 3.7%) per annum.

22. CASH AND BANK BALANCES (CONTINUED)

(c) Cash and cash equivalents (Continued)

	2025 RMB'000	2024 RMB'000
Cash and cash equivalents denominated in:		
– RMB	**178,572**	218,747
– HK$	**26,186**	64,151
– United States Dollars ("**USD**")	**14**	14
	204,772	282,912

The conversion of RMB denominated balances into foreign currencies and the remittance of such foreign currencies out of the Chinese Mainland are subject to relevant rules and regulations of foreign exchange control promulgated by the Chinese Mainland government.

23. TRADE AND OTHER PAYABLES

	2025 RMB'000	2024 RMB'000
Trade payables (Note (a)):		
– Related parties (Note 31(d))	**2,202**	443
– Third parties	**27,550**	35,550
	29,752	35,993
Other payables:		
– Related parties (Note 31(d))	**4,824**	4,815
– Third parties	**22,118**	23,917
	26,942	28,732
Accrued payroll	**10,771**	8,759
Other taxes payables	**111**	296
	67,576	73,780

23. TRADE AND OTHER PAYABLES (CONTINUED)

(a) As at 31 December 2025 and 2024, the ageing analysis of the trade payables (including amounts due to related parties of trading in nature) based on invoice date is as follows:

	2025 RMB'000	2024 RMB'000
Up to 1 year	**28,969**	33,378
1 to 2 years	**582**	1,534
2 to 3 years	**126**	944
Over 3 years	**75**	137
	29,752	35,993

(b) Other payables to third parties mainly represents the utilities deposit payable amounting to RMB4,786,000 (2024: RMB1,669,000), rental deposit payable amounting to RMB4,727,000 (2024: RMB4,782,000), management fee deposits payable amounting to RMB4,021,000 (2024: RMB3,209,000), accrued audit fee and other expenses payable amounting to RMB2,713,000 (2024: RMB2,902,000).

24. CONTRACT LIABILITIES

	2025 RMB'000	2024 RMB'000
Contract liabilities:		
– Related parties (Note 31(d))	**458**	2,820
– Third parties	**15,389**	17,006
	15,847	19,826
Receipt in advance in off-campus training services	**11,586**	11,058
Receipt in advance in relation to construction contracts	**737**	2,016
Cash vouchers in relation to retail services	**2,088**	108
Receipt in advance in relation to property management services	**1,420**	2,287
Catering services	**12**	4,352
Others	**4**	5
	15,847	19,826

24. CONTRACT LIABILITIES (CONTINUED)

As at 31 December 2025, contract liabilities have decreased by approximately RMB3,979,000 (2024: decreased by approximately RMB4,463,000) which was due to the decrease in customers' deposits.

Contract liabilities, representing customers' deposits and receipt in advance while the underlying services are yet to be provided. Movement of contract liabilities is as follows:

	2025	2024
	RMB'000	RMB'000
At 1 January	**19,826**	24,289
Increase in contract liabilities as a result of receiving deposits during the year	**15,847**	19,826
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(19,826)**	(24,289)
At 31 December	**15,847**	19,826

25. DEFERRED TAX ASSETS AND LIABILITIES

The movements in deferred tax assets and liabilities during the year are as follows:

(a) Deferred tax assets

	Temporary difference relating to		
	Lease liabilities	**Right-of-use assets and rental**	**Total**
	RMB'000	RMB'000	RMB'000
As at 1 January 2024	12,412	(10,810)	1,602
Credited to the profit and loss	–	1,477	1,477
Charged to the profit and loss	(1,964)	–	(1,964)
As at 31 December 2024 and 1 January 2025	10,448	(9,333)	1,115
Credited to the profit and loss	–	3,244	3,244
Charged to the profit and loss	(3,461)	–	(3,461)
As at 31 December 2025	**6,987**	**(6,089)**	**898**

25. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

(b) Deferred tax liabilities

	Finance lease receivables RMB'000	Withholding taxes RMB'000	Total RMB'000
As at 1 January 2024	1,334	10,100	11,434
Credited to the profit and loss	(44)	(11,987)	(12,031)
Charged to the profit and loss	156	5,137	5,293
As at 31 December 2024 and 1 January 2025	1,446	3,250	4,696
Credited to the profit and loss	(281)	(3,779)	(4,060)
Charged to the profit and loss	–	4,529	4,529
As at 31 December 2025	**1,165**	**4,000**	**5,165**

As at 31 December 2025, the Group has no tax losses arising in Hong Kong (2024: RMB105,000) that are available for offsetting against future taxable profits of the companies in which the losses arose. Such unused tax losses are subject to the approval of the Hong Kong Inland Revenue Department. No deferred tax asset has been recognised as at 31 December 2024 due to unpredictability of future profit streams. Tax losses may be carried forward indefinitely.

As at 31 December 2025, the Group has not recognised deferred tax assets in respect of the tax losses of subsidiaries amounting to RMB1,638,000 (2024: RMB1,981,000) because it is not probable that future taxable profit will be available against which the subsidiary can utilise the benefits therefrom. These unused tax losses were incurred by a subsidiary of the Group in the Chinese Mainland, which will expire after 5 years from the year in which the losses were incurred. Such unused tax losses are subject to the approval of the relevant local tax authority.

As at 31 December 2025 and 31 December 2024, the Group has no other material unrecognised temporary differences.

As at 31 December 2025 and 31 December 2024, the Group has no unrecognised withholding income tax in relation to the undistributed profits of certain Chinese Mainland group entities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

26. SHARE CAPITAL AND SHARE PREMIUM

Details of the share capital of the Company are as follows:

	Number of ordinary shares	Par value	Share capital		Share premium	Total
				Translated to		
	Shares	HK$	HK$	RMB'000	RMB'000	RMB'000
Authorised:						
As at 31 December 2024 and 2025	10,000,000,000	0.01	100,000,000	87,440		
Issued and fully paid:						
As at 1 January 2024, 31 December 2024 and 31 December 2025	**1,015,750,000**	**0.01**	**10,157,500**	**8,876**	**179,333**	**188,209**

27. OTHER RESERVES

	Statutory reserve (Note (a)) RMB'000	Capital reserve (Note (b)) RMB'000	Reserves for transactions with non-controlling interest (Note (c)) RMB'000	Total RMB'000
As at 1 January 2024	36,279	(121,099)	(14,331)	(99,151)
De-registration of subsidiaries (note (d))	(353)	–	–	(353)
Disposal of a subsidiary	(594)	–	–	(594)
Appropriation of statutory reserves	129	–	–	129
As at 31 December 2024 and 1 January2025	35,461	(121,099)	(14,331)	(99,969)
Appropriation of statutory reserves	320	–	–	320
As at 31 December 2025	**35,781**	**(121,099)**	**(14,331)**	**(99,649)**

27. OTHER RESERVES (CONTINUED)

Notes:

(a) Statutory reserve

In accordance with relevant rules and regulations in the Chinese Mainland, except for sino-foreign equity joint venture enterprises, all Chinese Mainland companies are required to transfer 10% of their profit after taxation calculated under Chinese Mainland accounting rules and regulations to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund can only be used upon approval by the relevant authority, to offset losses carried forward from previous years or to increase capital of the respective companies.

(b) Capital reserve

The amount of RMB111,305,000 represented the difference between the carrying value of the listing business and the par value of shares issued by the Company to the shareholders of the Group in exchange of the Listing Business during the Reorganisation for the Listing. The remaining balance of RMB9,794,000 represented paid-in capital of the acquired subsidiary in a business combination under common control in 2017.

(c) Transaction with non-controlling interest

On 16 May 2017, the Group acquired 24.5% equity interests of Panyu PM Co at a consideration of RMB21,774,800. The excess of consideration payable to non-controlling interests over the carrying amount of non-controlling interests acquired amounts to RMB14,331,000.

(d) On 11 April 2024, an indirectly wholly-owned subsidiary, namely Guangzhou Clifford Household Services Limited* (廣州市祈福家居服務有限公司) was de-registered. No material gain or loss resulting from the deregistration.

28. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

The Group had non-cash additions to right-of-use assets and lease liabilities of approximately RMB7,842,000 (2024: RMB17,417,000) and RMB7,842,000 (2024: RMB17,417,000) during the year ended 31 December 2025 in respect of lease arrangements for the properties (Note 16).

28. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

(b) Reconciliation of liabilities arising from financial activities

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

	Lease liabilities RMB'000
At 1 January 2024	49,802
Changes of financing activities:	
– Repayment of lease liabilities – principal	(12,168)
– Repayment of lease liabilities – interest	(2,321)
	(14,489)
Other changes:	
– Interest on lease liabilities	2,321
– Additions of lease liabilities	17,417
– De-recognition due to early termination	(9,496)
– Modification of leases	(426)
– Exchange adjustment	11
	9,827
At 31 December 2024 and 1 January 2025	45,140
Changes of financing activities:	
– Repayment of lease liabilities – principal	(12,237)
– Repayment of lease liabilities – interest	(1,942)
	(14,179)
Other changes:	
– Interest on lease liabilities	1,942
– Additions of lease liabilities	7,842
– De-recognition due to early termination	(9,690)
– Modification of leases	(334)
– Exchange adjustment	(214)
	(454)
At 31 December 2025	**30,507**

29. SUBSIDIARIES

The Group's principal subsidiaries at the reporting date are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation and kind of legal entity	Principal activities and place of operations	Particulars of issued share capital and debt securities	Ownership interest held by the Group 2025 (%)	2024 (%)
Directly owned					
Wide Leisure Limited* 廣逸有限公司	BVI, limited liability company	Investment holding in BVI	1 ordinary share of USD1	100%	100%
Indirectly owned					
Guangzhou Panyu Clifford Property Management Limited* 廣州市番禺祈福物業管理有限公司	Chinese Mainland, limited liability company	Property management services in the Chinese Mainland	RMB5,500,000	100%	100%
Foshan Clifford Property Management Limited* 佛山市祈福物業管理有限公司	Chinese Mainland, limited liability company	Property management services in the Chinese Mainland	HK$8,770,000	100%	100%
Guangzhou Clifford Trading Limited* 廣州市祈福貿易有限公司	Chinese Mainland, limited liability company	Retail services in the Chinese Mainland	RMB1,000,000	100%	100%
Guangzhou Smart Real Estate Agency Limited* 廣州市睿明房地產中介有限公司	Chinese Mainland, limited liability company	Property agency services in the Chinese Mainland	RMB300,000	100%	100%
Guangzhou Welcome Employment Limited* 廣州市惠爾家職業介紹有限公司	Chinese Mainland, limited liability company	Employment placement services in the Chinese Mainland	RMB2,000,000	100%	100%
Guangzhou Panyu Clifford Education and Training Center Co., Ltd.* 廣州市番禺區祈福教育培訓中心有限公司	Chinese Mainland, limited liability company	Off-campus training services in the Chinese Mainland	RMB50,000	100%	100%
Guangzhou Clifford Educational Technology Services Limited* 廣州市祈福教育科技服務有限公司	Chinese Mainland, limited liability company	Off-campus training services in the Chinese Mainland	RMB1,000,000	100%	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 December 2025

29. SUBSIDIARIES (CONTINUED)

Name of entity	Place of incorporation and kind of legal entity	Principal activities and place of operations	Particulars of issued share capital and debt securities	Ownership interest held by the Group 2025 (%)	2024 (%)
Indirectly owned (continued)					
Guangzhou Clifford Elite Education Information Consulting Limited* 廣州市番禺祈福精英教育信息諮詢有限公司	Chinese Mainland, limited liability company	Off-campus training services in the Chinese Mainland	RMB300,000	**100%**	100%
Guangzhou Clifford Education Information Consulting Limited* 廣州市祈福教育信息諮詢有限公司	Chinese Mainland, limited liability company	Off-campus training services in the Chinese Mainland	RMB200,000	**100%**	100%
Guangzhou Clifford Communications Limited* 廣州市祈福通訊有限公司	Chinese Mainland, limited liability company	Information technology services in the Chinese Mainland	RMB1,000,000	**100%**	100%
Guangzhou Clifford Catering Management Limited* 廣州市膳康餐飲管理有限公司	Chinese Mainland, limited liability company	Catering services in the Chinese Mainland	RMB1,000,000	**100%**	100%
Guangzhou Kejian Computer Technology Co., Limited* 廣州市科健計算機技術有限公司	Chinese Mainland, limited liability company	Information technology services in the Chinese Mainland	RMB8,000,000	**100%**	100%
Guangzhou Clifford Fresh Trade Co., Ltd.* 廣州市祈福生鮮貿易有限公司	Chinese Mainland, limited liability company	Fresh food procurement services	RMB1,000,000	**100%**	100%
Guangzhou Clifford Top Management Co., Ltd.* 廣州市祈福致佳物業管理有限公司	Chinese Mainland, limited liability company	Property management services in the Chinese Mainland	RMB2,000,000	**100%**	100%

* The English name of the subsidiaries represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

30. COMMITMENTS

Sub-leasing arrangement – Group as intermediate lessor

The investment properties are leased to tenants under operating leases with rentals payable monthly. For details of the leasing arrangements, refer to Note 16.

Arrangement for sub-leasing to external tenants are negotiated for terms ranging from 1 to 5 years (2024: 1 to 5 years). As at the end of the reporting period the Group had total future minimum sublease payments expected to be received under non-cancellable sub-leasing arrangements with its tenants falling due as follows:

	2025	2024
	RMB'000	RMB'000
Up to 1 year	**9,486**	14,083
Over 1 year but within 5 years	**6,974**	11,572
	16,460	25,655

31. RELATED PARTY TRANSACTIONS

(a) Name and relationship with related parties:

Name	**Relationship**
Ms. Man Lai Hung	Ultimate shareholder of the Company
Mr. Pang Lun Kee	The spouse of Ms. Man
Tango Trading Limited	Company under control of the spouse of Ms. Man
Maliton Services Limited	Company under control of the spouse of Ms. Man
Clifford Estates (Panyu) Limited* 廣州市番禺祈福新邨房地產有限公司	Company under significant influence of the spouse of Ms. Man
Guangzhou Clifford Wonderland Service Apartment Company Limited* 廣州市祈福繽紛世界國際公寓有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Property Limited* 廣州市祈福物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Crown Property Company Limited* 廣州市冠都物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Lakeside Property Company Limited* 廣州市倚湖物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Anhua Property Co., Ltd.* 廣州市安華物業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Guangli Property Company Limited* 廣州市廣利物業有限公司	Company under control of the spouse of Ms. Man

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Name and relationship with related parties: (Continued)

Name	Relationship
Guangzhou Panyu Clifford Estates Resort Club Company Limited* 廣州市番禺祈福新邨渡假俱樂部有限公司	Company under significant influence of the spouse of Ms. Man
Guangzhou Huadu Clifford Property Development Company Limited* 廣州市花都祈福房地產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Qifu Medical Company Limited* 廣州市祈福醫藥有限公司	Company under control of Ms. Man
Guangzhou Panyu CZ Clifford Lakeside Kindergarten* 廣州市番禺區鐘村街祈福倚湖灣幼兒園	Company under control of Ms. Man
Guangzhou Clifford Property Management Limited* 廣州祈福物業管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Postnatal Care Company Limited* 廣州市祈福母護護理服務有限公司	Company under control of Ms. Man
Guangzhou Panyu Clifford English Experimental Primary School* 廣州市番禺區祈福英語實驗小學	Company under significant influence of the spouse of Ms. Man
Guangzhou Clifford Medical Equipment Limited* 廣州市祈福醫療器械有限公司	Company under control of Ms. Man
Clifford Aged Home Company Limited* 廣州市祈福護老公寓有限公司	Company under control of Ms. Man
Guangzhou Panyu Clifford English Experimental Kindergarten* 廣州市番禺區祈福英語實驗幼稚園	Company under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Elite Kindergarten* 廣州市番禺區祈福精英幼兒園	Company under significant influence of the spouse of Ms. Man
Guangzhou Panyu Clifford Estates Kindergarten* 廣州市番禺區祈福新邨幼兒園	Company under control of Ms. Man
Guangzhou Qifu Dental Clinic Co., Ltd.* 廣州市祈福口腔門診部有限公司	Company under control of Ms. Man
Guangzhou Fuchang Termite Control Co., Ltd.* 廣州市福昌白蟻防治有限公司	Company under control of the spouse of Ms. Man
Guangzhou Hongyun Hospital Logistics Service Management Co., Ltd.* 廣州市鴻運醫院後勤服務管理有限公司	Company under control of senior executive
Guangzhou Guanhuan Properties Company Limited* 廣州市冠環物業有限公司	Company under control of the spouse of Ms. Man
Guangdong QifuGroup Co., Ltd.* 廣東祈福集團有限公司	Company under control of the spouse of Ms. Man
Guangzhou Fortune Software Limited* 廣州市科進電腦技術有限公司	Company under control of Ms. Man

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Name and relationship with related parties: (Continued)

Name	Relationship
Guangzhou Qifu Health Consulting Co., Ltd.* 廣州市祈福健康諮詢有限公司	Company under control of Ms. Man
Guangzhou Qifu Biotechnology Co., Ltd.* 廣州市祈福生物科技有限公司	Company under control of Ms. Man
Guangzhou Qifu Pharmaceutical Co., Ltd.* 廣州市祈福藥業有限公司	Company under control of Ms. Man
Guangzhou Qifuxin Pharmacy Company Limited* 廣州市祈福新大藥房有限公司	Company under control of Ms. Man
Guangzhou Qile Real Estate Co., Ltd.* 廣州市祈樂置業有限公司	Company under control of the spouse of Ms. Man
Zhaoqing Clifford Coast Property Development Company Limited* 肇慶祈福海岸房地產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Zhan Sheng Commercial Property Management Company Limited* 廣州市展盛商業地產經營管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Company Limited* 廣州市祈福繽紛樂園有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Xin Hua Clifford Property Development Company Limited* 廣州市花都新華祈福房地產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Wonderland Commercial Property Management Company Limited* 廣州市祈福繽紛世界商業地產經營管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Business Centre Management Company Limited* 廣州市祈福商務中心經營管理有限公司	Company under control of the spouse of Ms. Man
Foshan Nanhai Clifford Property Development Company Limited* 佛山市南海祈福房地產有限公司	Company under control of the spouse of Ms. Man
Guangdong Clifford Hospital Company Limited* 廣東祈福醫院有限公司	Company under control of Ms. Man
Guangzhou Huadu Clifford Mountain Lake Hotel Limited* 廣州市花都祈福山中湖酒店有限公司	Company under control of the spouse of Ms. Man
Guangzhou Huadu Clifford Estates Property Development Company Limited* 廣州市花都祈福花園房產有限公司	Company under control of the spouse of Ms. Man
Foshan Nanhai Clifford Property Development Limited* 佛山市南海祈福置業有限公司	Company under control of the spouse of Ms. Man

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Name and relationship with related parties: (Continued)

Name	Relationship
Guangzhou Huadu Clifford Property Company Limited* 廣州市花都祈福置業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Panyu District Qifu Community Health Service Station* 廣州市番禺區祈福社區衛生服務站	Company under control of Ms. Man
Guangzhou Qinghua Industry Co., Ltd.* 廣州市慶華實業有限公司	Company under control of the spouse of Ms. Man
Guangzhou Qifu Skin Management Technology Co., Ltd.* 廣州市祈福皮膚管理科技有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Property Management Company Limited* 廣州市祈福地產經營管理有限公司	Company under control of the spouse of Ms. Man
Guangzhou Panyu Clifford Property Company Limited 廣州市番禺祈福房產有限公司	Company under control of the spouse of Ms. Man
Guangzhou Clifford Qiansuitang Health Technology Company Limited* 廣州市祈福千歲堂健康科技有限公司	Company under control of the spouse of Ms. Man

* The English name of the related parties represents the best effort by the management of the Group in translating their Chinese names as they do not have an official English name.

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) The following transactions are carried out with related parties:

	2025 RMB'000	2024 RMB'000
Sales of goods to:		
– Companies under control of the spouse of Ms. Man	**507**	–
– Companies under significant influence of the spouse of Ms. Man	**1,460**	–
– Companies under control of Ms. Man	**1,248**	–
– Companies under control of senior executive	**1**	–
	3,216	–
Provision of services to:		
– Companies under significant influence of the spouse of Ms. Man	**10,619**	15,306
– Companies under control of the spouse of Ms. Man	**18,683**	20,979
– Companies under control of Ms. Man	**37,413**	13,320
– A company under control of relatives of senior executive	**–**	12
– Companies under control of senior executive	**47**	908
	66,762	50,525
Short-term lease expenses and management fee paid/payable to:		
– Companies under control of the spouse of Ms. Man	**449**	1,111
– Companies under control of Ms. Man	**–**	140
	449	1,251
Interest expenses for lease liabilities paid/payable to:		
– Companies under control of Ms. Man	**32**	17
– Companies under control of the spouse of Ms. Man	**1,370**	1,253
– Companies under significant influence of the spouse of Ms. Man	**415**	506
	1,817	1,776
Payment of lease liabilities to:		
– Companies under control of Ms. Man	**219**	35
– Companies under control of the spouse of Ms. Man	**9,083**	7,925
– Companies under significant influence of the spouse of Ms. Man	**2,518**	2,510
	11,820	10,470

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management compensation

Compensation for key management other than those for directors as disclosed in Note 9 is set out below.

	2025 RMB'000	2024 RMB'000
Short-term employee benefits	**4,267**	4,273
Post-employment benefits	**452**	392
Salaries and other employee benefits	**4,719**	4,665

(d) Balances with related parties

	2025 RMB'000	2024 RMB'000
Receivables from related parties:		
Trade receivables (Note 19) (Note (i))		
– Companies under control of the spouse of Ms. Man	**4,792**	1,912
– Companies under significant influence of the spouse of Ms. Man	**2,970**	2,115
– Companies under control of Ms. Man	**5,158**	1,199
– Companies Under control of relatives of senior executive	**–**	1
– Companies Under control of senior executive	**–**	454
	12,920	5,681
Other receivables (Note 19) (Note (ii))		
– Companies under control of the spouse of Ms. Man	**2,138**	2,412
– Companies under significant influence of the spouse of Ms. Man	**1,610**	1,616
– Companies under control of Ms. Man	**50**	49
	3,798	4,077
Contract assets (Note 21)		
– Companies under significant influence of the spouse of Ms. Man	**1,126**	3,565
– Companies under the control of Ms. Man	**85**	208
– Companies under control of the spouse of Ms. Man	**31**	250
	1,242	4,023
Total receivables from related parties	**7,834**	13,781

31. RELATED PARTY TRANSACTIONS (CONTINUED)

(d) Balances with related parties (continued)

	2025 RMB'000	2024 RMB'000
Payables to related parties:		
Trade payables (Note 23) (Note (i))		
– Companies under significant influence of the spouse of Ms. Man	**216**	154
– Companies under control of the spouse of Ms. Man	**1,806**	10
– Company under control of Ms. Man	**180**	275
– Companies Under control of senior executive	**–**	4
	2,202	443
Other payables (Note 23) (Note (ii))		
– Companies under significant influence of the spouse of Ms. Man	**846**	1,048
– Companies under control of the spouse of Ms. Man	**3,727**	3,697
– Company under control of Ms. Man	**251**	52
– Under control of relatives of senior executive	**–**	18
	4,824	4,815
Contract liabilities (Note 24)		
– Companies under control of the spouse of Ms. Man	**41**	100
– Companies under significant influence of the spouse of Ms. Man	**357**	2,661
– Company under control of Ms. Man	**60**	58
– Under control of relatives of senior executive	**–**	1
	458	2,820
Total payables to related parties	**7,484**	8,078

Notes:

(i) Trade receivables and payables with related parties are unsecured and interest-free. These balances are with credit period varying from one to three months.

(ii) Other receivables and payables with related parties are unsecured and interest-free. Except for the balances paid as rental deposits, which are repayable upon maturity of rental period according to the respective contracts, the remaining balances are repayable on demand.

32. FINANCIAL INSTRUMENTS BY CATEGORY

	2025 RMB'000	2024 RMB'000
Financial assets		
At amortised cost		
– Trade and other receivables excluding prepayments	**48,066**	40,050
– Term deposits	**80,000**	80,000
– Restricted cash	**648**	647
– Cash and cash equivalents	**204,772**	282,912
	333,486	403,609
Financial liabilities		
At amortised costs		
– Trade and other payables excluding non-financial liabilities	**56,694**	64,725
Other financial liabilities		
– Lease liabilities	**30,507**	45,140

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(A) Financial risk factors

The Group's activities expose it to a variety of financial risks: foreign exchange risk, interest rate risk, credit risk, liquidity risk and price risk.

The Group's principal activities are conducted in RMB. The directors of the Company are of the opinion that the Group's activities do not expose it to any significant foreign exchange risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(i) Foreign exchange risk

The Group operates in the Chinese Mainland with most transactions being settled in RMB, which is the functional currency of the Group companies. Foreign currency transactions included mainly payment of professional fees and employee benefit expenses which are denominated in HK$. The Group currently does not have a foreign currency hedging policy, and manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (Continued)

(i) Foreign exchange risk (Continued)

The carrying amount of the Group's foreign currency denominated monetary assets and liabilities as at 31 December 2025 and 2024 are as follows:

	2025 RMB'000	2024 RMB'000
Monetary assets denominated in:		
– HK$	**26,703**	64,994
Monetary liabilities denominated in:		
– HK$	**1,824**	2,052

The following table demonstrates the sensitivity at the end of the reporting period to reasonably possible changes in the RMB exchange rates, with all other variables held constant, of the Group's profit before taxation and the Company's equity.

	2025 RMB'000	2024 RMB'000
5% appreciation in RMB against		
– HK$	**(792)**	(3,146)
5% depreciation in RMB against		
– HK$	**792**	3,146

(ii) Interest rate risk

The Group's interest rate risk arises from bank balances. Bank balances carried at prevailing market interest rate expose the Group to cash flow interest rate risk. The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

The Group expects that there is no significant interest rate risk associated with financial product since the Group furnishes investment mandates to commercial banks. These mandates require them to invest in bank financial product with high market credit rating, liquidity and stable return. Management does not expect that there will be any significant losses from non-performance by these counterparties.

Management considers that interest rate risk related to bank balances is insignificant.

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (Continued)

(iii) Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group considers all elements of credit risk exposure such as counterparty default risk and sector risk for risk management purposes.

The Group's maximum exposure to credit risk in the event of the counterparties failure to perform their obligations at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets stated in the consolidated statement of financial position.

The Group is exposed to credit risk in relation to its deposit with banks, contractual cash flows of financial assets carried at amortised cost and trade and other receivables (excluding prepayments) and contract assets.

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade and other receivables (excluding prepayments)
- contract assets

While deposits with banks are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

(a) Deposits with banks

As at 31 December 2025 and 2024, substantially all the Group's bank balances are deposited with major financial institutions incorporated in the Chinese Mainland and Hong Kong, of which management believes are high credit quality without significant credit risk.

The management considers the credit risk in respect of restricted bank balances and bank balances and cash is minimal because the counterparties are authorised financial institutions with high credit ratings.

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (Continued)

(iii) Credit risk (Continued)

(b) Trade and other receivables (excluding prepayments) and contract assets

The Group considers the probability of default upon initial recognition of asset and at the end of the reporting period.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables and contract assets with third parties/finance lease receivables (included in other receivables)	Trade and other receivables and contract assets with related parties
Low risk	The counterparty has a low risk of default and does not have any past due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (continued)

(iii) Credit risk (continued)

(b) Trade and other receivables (excluding prepayments) and contract assets (continued)

The tables below detail the credit risk exposures of the Group's financial assets which are subject to ECL assessment:

	Notes	**12-month or lifetime ECL**	**2025 Gross carrying amount RMB'000**	2024 Gross carrying amount RMB'000
Financial assets at amortised costs				
Trade receivables with third parties	(i)	Lifetime ECL (not credit impaired)	**12,529**	11,113
	(ii)	Credit-impaired	**7,834**	8,712
Trade receivables with related parties	(iii)	Lifetime ECL (not credit impaired)	**12,920**	5,681
			33,283	25,506
Finance lease receivables (included in other receivables)	(iii)	Lifetime ECL (not credit impaired)	**5,455**	7,455
Other receivables	(iii)	12-month ECL	**15,865**	15,335
Other items:				
Contract assets with third parties	(i)	Lifetime ECL (not credit impaired)	**125**	614
Contract assets with related parties	(iii)	12-month ECL	**1,243**	4,023
			55,971	52,933

Notes:

(i) For trade receivables and contract assets with third parties, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix through grouping of various debtors that have similar loss patterns, after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables.

The Group uses debtors' ageing to assess the impairment for its customers in relation to its operation because these customers consist of a large number of small customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group recognises lifetime ECL for finance lease receivable that results from transactions that are within the scope of HKFRS 16. To measure the ECL, finance lease receivables have been grouped based on shared credit risk characteristics or are assessed individually for credit-impaired balances.

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (continued)

(iii) Credit risk (continued)

(b) Trade and other receivables (excluding prepayments) and contract assets (continued)

Notes: (continued)

(ii) The management considered that trade receivables are credit-impaired when one or more events of default 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:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event.

(iii) For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition for its trade and other receivables and contract assets with related parties.

As at 31 December 2025, the Group has assessed that the expected loss rate for trade and other receivables and contract assets from related parties was immaterial considering the good finance position and credit history of the related parties, and those trade and other receivable and contracts assets due from related parties are usually settled within credit terms.

As at 31 December 2025, the loss allowance provision for the trade receivables and other receivables due from third parties amounted to approximately RMB7,892,000 (2024: RMB8,939,000) and RMB728,000 (2024: RMB694,000), respectively.

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

	Third parties					Related parties	
	Not overdue or within 3 months	3 to 6 months	6 months to 1 year	1 to 2 years	Over 2 years	Not overdue	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 31 December 2025							
Expected credit loss rate	**0.01%**	**0.6%**	**2.1%**	**2.8%**	**96.0%**	**–**	
Gross carrying amount	**11,145**	**986**	**99**	**36**	**8,210**	**14,163**	**34,639**
Expected credit loss	**(1)**	**(5)**	**(2)**	**(1)**	**(7,883)**	**–**	**(7,892)**
At 31 December 2024							
Expected credit loss rate	0.01%	4.4%	6.9%	11.7%	89.5%	–	
Gross carrying amount	9,505	271	375	401	9,887	9,704	30,143
Expected credit loss	(1)	(12)	(26)	(47)	(8,853)	–	(8,939)

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (continued)

(iii) Credit risk (continued)

(b) Trade and other receivables (excluding prepayments) and contract assets (continued)

As at 31 December 2025 and 2024, the loss allowance provision for trade and other receivables (excluding prepayments) and contract assets reconciles to the opening loss allowance for that provision as follows:

	Trade receivables with third parties RMB'000	Trade and other receivables from related parties RMB'000	Contract asset RMB'000	Other receivables (excluding prepayments and other receivables from related Parties) RMB'000	Total RMB'000
As at 31 January 2024	9,451	–	–	531	9,982
(Reversal of)/provision for loss allowance recognised in profit or loss	(512)	–	–	163	(349)
As at 31 December 2024 and 1 January 2025	8,939	–	–	694	9,633
(Reversal of)/provision for loss allowance recognised in profit or loss	(1,047)	–	–	34	(1,013)
As at 31 December 2025	**7,892**	**–**	**–**	**728**	**8,620**

As at 31 December 2025, the gross carrying amount of trade and other receivables (excluding prepayments) was approximately RMB59,143,000 (2024: RMB49,683,000), and the maximum exposure to loss was approximately RMB50,323,000 (2024: RMB40,050,000).

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(A) Financial risk factors (continued)

(iv) Liquidity risk

Management of the Group aims to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of available financing, including short-term and long-term borrowings and obtaining additional funding from shareholders. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and flexibility in funding through having available sources of financing.

The table below set out the Group's financial liabilities by relevant maturity grouping at each balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Less than 1 year RMB'000	1–2 years RMB'000	2–5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2025					
Trade and other payables, excluding non-financial liabilities	**56,694**	**–**	**–**	**–**	**56,694**
Lease liabilities	**11,610**	**9,756**	**11,377**	**680**	**33,423**
	68,304	**9,756**	**11,377**	**680**	**90,117**
As at 31 December 2024					
Trade and other payables, excluding non-financial liabilities	64,725	–	–	–	64,725
Lease liabilities	12,588	10,035	18,885	10,630	52,138
	77,313	10,035	18,885	10,630	116,863

33. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)

(B) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the owner and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged from prior year.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital comprises "equity" as shown in the consolidated statement of financial position. As at 31 December 2025 and 2024, the Group was at net cash position, being calculated as cash and cash equivalents less total borrowings.

No material changes were made in the objectives, policies or processes for managing capital during the years.

(C) Fair value estimation

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated statement of financial position approximate to their fair values.

34. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	Notes	2025 RMB'000	2024 RMB'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**3**	3
Right-of-use assets		**522**	709
Investment properties		**6,581**	8,878
Investments in subsidiaries		**105,190**	105,190
Investment in unallocated silver bullion		**344,082**	141,290
Deferred tax assets		**70**	42
		456,448	256,112
Current assets			
Trade and other receivables		**2,355**	2,880
Cash and cash equivalents		**82,727**	170,279
		85,082	173,159
Current liabilities			
Other payables		**7,581**	8,944
Lease liabilities		**2,215**	2,126
		9,796	11,070
Net current assets		**75,286**	162,089
Total assets less current liabilities		**531,734**	418,201
Non-current liabilities			
Lease liabilities		**5,312**	7,717
Net assets		**526,422**	410,484
EQUITY			
Equity attributable to owners of the Company			
Share capital	26	**8,876**	8,876
Share premium	26	**179,333**	179,333
Retained earnings	(b)	**338,213**	222,275
Total equity		**526,422**	410,484

The statement of financial position of the Company was approved and is authorised for issue by the board of directors on 27 March 2026 and is signed on its behalf by:

Ms. MAN Lai Hung
Chairman & Chief Executive Officer & Executive Director

Ms. HO Suk Mee
Executive Director

34. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company

	Retained earnings RMB'000
As at 1 January 2024	348,003
Profit and total comprehensive income for the year	219,936
Dividends declared to shareholders of the Company (Note 12)	(345,664)
As at 31 December 2024 and 1 January 2025	222,275
Profit and total comprehensive income for the year	263,057
Dividends declared to shareholders of the Company (Note 12)	(147,119)
As at 31 December 2025	**338,213**

35. EVENTS AFTER THE REPORTING PERIOD

(a) Investments in unallocated gold bullion, allocated silver bullion and allocated gold bullion

Investments in unallocated gold bullion

On 28 January, 29 January, 2 February and 3 February 2026, the Group, by utilising part of the proceeds from the disposal of investments in unallocated silver bullion (the "**Silver Disposal Proceeds**"), purchased a total of 2,730 ounces of unallocated gold bullion through the Bank at the consideration of approximately RMB28.6 million, RMB28.3 million, RMB24.4 million and RMB16.9 million respectively. For details, please refer to the Company's announcements dated 26 January 2026, 27 January 2026 and 30 January 2026.

Investments in allocated silver bullion

On 13 February, 25 March, 14 April and 23 April 2026, the Group, by utilising part of the Silver Disposal Proceeds and the Unallocated Gold Disposal Proceeds (as defined below) and its internal resources, purchased a total of approximately 371,700 ounces of allocated silver bullion through the Bank at the consideration of approximately RMB87.1 million, RMB38.0 million, RMB37.6 million and RMB39.1 million respectively. For details, please refer to the Company's announcements dated 11 February 2026, 23 March 2026, 10 April 2026 and 21 April 2026.

Investments in allocated gold bullion

On 25 February 2026, 10 March 2026 and 23 March 2026, the Group, by utilising part of the Silver Disposal Proceeds and the Unallocated Gold Disposal Proceeds (as defined below), purchased a total of approximately 1,600 ounces of allocated gold bullion through the Bank at the consideration of approximately RMB28.8 million, RMB14.0 million and RMB 13.0 million respectively. For details, please refer to the Company's announcements dated 23 February 2026, 6 March 2026 and 20 March 2026.

(b) Disposals of investments in unallocated gold bullion

On 25 February 2026, 3 March 2026 and 4 March 2026, the Group disposed of a total of 1,500 ounces of unallocated gold bullion through the Bank (the "**Unallocated Gold Disposal Proceeds**") at the consideration of approximately RMB18.0 million, RMB10.8 million and RMB25.7 million respectively. For details, please refer to the Company's announcement dated 2 March 2026.

FINANCIAL SUMMARY

	For the year ended 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	**320,272**	367,385	345,035	382,882	430,836
Gross profit	**166,272**	169,368	163,613	177,838	189,190
Profit before taxation	**313,004**	130,003	126,728	133,427	111,446
Profit attributable to:					
Owners of the Company	**284,629**	97,539	85,838	95,140	81,124

ASSETS AND LIABILITIES

	As at 31 December				
	2025	2024	2023	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Total assets	**718,021**	605,520	872,776	843,102	763,661
Total liabilities	**127,401**	152,410	171,542	204,505	201,134
	590,620	453,110	701,234	638,597	562,527
Equity attributable to owners of the Company	**590,620**	453,110	701,234	638,597	562,527