

World-link LOGISTICS

WORLD-LINK LOGISTICS (ASIA) HOLDING LIMITED

環宇物流(亞洲)控股有限公司

(incorporated in the Cayman Islands with limited liability)

Stock Code: 6083

2025
ANNUAL REPORT



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CHAIRMAN'S STATEMENT

Mr. Yeung Kwong Fat

*Chairman and
Chief Executive Officer*



Dear Shareholders,

On behalf of the Board of Directors (the "Board"), I am pleased to present the annual report of the Group for the financial year ended 31 December 2025 ("2025").

The past year remained a testing period for the Group, as the global economy continued to grapple with persistent inflation and a high-interest-rate environment. Despite this contraction, the Group maintained its revenue levels with a steady growth and secured a net profit position. This stability is a direct result of our management's agility and the unwavering dedication of our employees in a volatile market.

The retail landscapes of Hong Kong and Macau were significantly shaped by the evolving consumption patterns of tourists from Mainland China. While the slow recovery in these markets dampened our traditional business, the Group successfully mitigated these risks through two key strategies of asset synergy and transition into a total solution service provider.

The Group have accelerated its evolution into a full comprehensive supply chain and full distribution service provider within Hong Kong and Macau markets. This strategic pivot allows us to manage complex, end-to-end supply chains beyond physical asset management, driving organic growth across both Hong Kong and Macau. By leveraging our 30-year logistics foundation, we captured new business opportunities and diversified our client base, effectively offsetting reduced demand from certain legacy accounts.

Outlook

As we look toward 2026, the environment remains a landscape of both volatility and opportunity. Geopolitical conflicts and trade tensions present risks to global supply chains, and the potential for high tariffs remains a concern for our export-heavy clients.

However, we view market turbulence as an opportunity for consolidation. As weaker market players exit, our high-quality service and professional team are positioned to capture a larger market share. The Group will continue to refine our total solution service provider business model as our primary engine for future growth, focus on its infrastructure optimization through enhancing IT systems and logistics backbone to support the full-service distribution segment and implement stringent cost-control measures to improve margins.

Appreciation

I would like to extend my deepest thanks to our staff for their faithful commitment and to our fellow Directors for their strategic guidance during this challenging year. To our valued customers, business associates, and shareholders: thank you for your steadfast confidence. We remain committed to creating sustainable value and maintaining solid financial performance in the years ahead.

Yeung Kwong Fat

Chairman and Chief Executive Officer

Hong Kong, 26 March 2026

CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Yeung Kwong Fat (*Chairman and CEO*)
Mr. Lee Kam Hung
Mr. Luk Yau Chi, Desmond

Independent Non-executive Directors

Mr. Mak Tung Sang
Mr. Jung Chi Pan, Peter
Ms. Lai, Bibiana Wing Ying

Company Secretary

Mr. Cheng Sing Yuen, CPA

Board Committees

Audit Committee

Mr. Mak Tung Sang
Mr. Jung Chi Pan, Peter
Ms. Lai, Bibiana Wing Ying (*Chairman*)

Nomination Committee

Mr. Yeung Kwong Fat (*Chairman*)
Mr. Mak Tung Sang
Mr. Jung Chi Pan, Peter
Ms. Lai, Bibiana Wing Ying
(appointed on 16 July 2025)

Remuneration Committee

Mr. Mak Tung Sang (*Chairman*)
Mr. Luk Yau Chi, Desmond
Mr. Jung Chi Pan, Peter

Authorised Representatives

Mr. Yeung Kwong Fat
Mr. Cheng Sing Yuen

Company's Website

<http://www.world-linkasia.com>

Auditor

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in
accordance with the Accounting and
Financial Reporting Council Ordinance

Registered Office in the Cayman Islands

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

Legal Adviser

TC & Co., Solicitors
Units 501-2, 5/F.
Tai Tung Building
8 Fleming Road
Wanchai
Hong Kong

Headquarters and Principal Place of Business in Hong Kong

3/F, Allied Cargo Centre
150-164 Texaco Road
Tsuen Wan
Hong Kong

Principal Share Registrar and Transfer Office in the Cayman Islands

Ocorian Trust (Cayman) Limited
Windward 3
Regatta Office Park
P.O. Box 1350
Grand Cayman KY1-1108
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Principal Bankers

The Bank of East Asia
Fubon Bank
Standard Chartered Bank
OCBC Bank (Macau) Limited

Stock Code

6083

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Group Overview

The Group maintains its position as a well-established, one-stop total supply chain and distribution service provider specializing in the Fast-Moving Consumer Goods (“FMCG”) and Food and Beverage (“F&B”) sectors, including pet food and healthcare products. Most of our customers are leading multinational enterprises that rely on services tailored to their unique requirements.

A Decade of Strategic Evolution: 2015-2025

The decade spanning from the Group’s listing on the Hong Kong Stock Exchange in 2015 to 2025 marks a period of transformative growth and disciplined financial stewardship. Since becoming a listed company in 2015, the Group has achieved a remarkable milestone, increasing its annual sales from HK\$125 million in 2015 to over HK\$367 million by 2025, representing a robust compound annual growth rate (CAGR) of 11.4%.

This nearly threefold increase in annual sales was underpinned by a deliberate shift in risk management. The Group strategically expanded its business by evolving from a supply chain service provider into a new, high-value Full-Service Distributor. We have successfully transformed from an entity heavily reliant on a single major customer to one with a diversified portfolio serving several large-scale international clients across the FMCG, F&B, and cold-chain logistics sectors.

Financial Discipline and Shareholder Value

Throughout this rapid scaling, the Group has adhered to a humble and prudent financial philosophy. To minimise loan leverage, we rely on internal resources and organic cash flow to build our infrastructure and to expand our business. We are proud to note that this debt-free growth strategy has reduced financial risk during volatile periods while ensuring consistent and sustainable returns.

Notably, the Group has maintained profitability in every single year over the past decade, even as market competition intensified and during the severe disruptions of the COVID-19 pandemic, which paralyzed global supply chains; the high-interest-rate environment (2022–2024) which burdened many industry participants with heavy debt-servicing costs; and significant regional economic volatility. Furthermore, we are proud to note that we have delivered consecutive dividend returns to our shareholders every year since our listing in 2015, underscoring our commitment to rewarding investors. Management will continue to rigorously monitor cash flow and investment requirements to maximize returns for the benefit of the shareholders.

In terms of long-term sustainability, the Group has strengthened its foundation by reducing concentration risk. While our largest customer accounted for 62.5% of the total revenue in 2015, this figure has been strategically reduced to just 10.3% by 2025. By balancing our established logistics expertise with a dominant distribution arm, we have built a robust business model, well-positioned to lead the industry as we enter our second decade as a listed company.

Strategic Transformation into Full-Service Distribution

The Group has evolved from a traditional logistics provider at the time of its initial public offer into a premier full-service distribution provider. Full-service distribution has since become the primary driver of growth, with its revenue now accounting for more than half of the Group’s total turnover.

This transformation was driven by three pivotal milestones:

1. 2019: The acquisition of our Macau operations, which expanded our regional footprint.
2. 2021: The establishment of a 51%-owned subsidiary to enable us to penetrate the Hong Kong distribution market.
3. 2023: The launch of our dedicated internal business team after a successful period of “trial and learning.”

Management Discussion and Analysis

A cornerstone of this success has been our ability to consistently expand our portfolio. Since the establishment of our dedicated internal business team, the Group has successfully secured and added new brand distributorships every year. By integrating these specialized sales functions with our deep-rooted supply chain expertise, we have moved closer to the end consumer and captured a significantly larger share of the value chain.

Capturing Modern Trends: Cold-Chain Logistics & E-Commerce

To address changing consumer behavior and the demand for specialized handling, the Group has built two strategic high-growth pillars.

Cold-Chain Logistics: This has emerged as a key technical development pillar. The Group serves two international F&B enterprises with warehouse management and delivery services, handling over 200 orders daily on average. In 2025, this business contributed about 8% of the Group's supply chain management service income.

E-Commerce: We have successfully integrated digital sales into our full distribution model, with the Group managing two online e-shops. By the end of 2025, category-specific sales accounted for approximately 30% of the online sales platform. Gross sales contribution from e-commerce rose to about 4% of the Group's full-service distribution sales.

Our commitment to high-quality safety management and temperature-controlled precision reinforce our industry reputation and supports long-term sustainability.

Geographic Expansion: The Macau Market

Since the strategic acquisition of our Macau subsidiary in 2019, the Group has successfully replicated its proven Hong Kong business model in the Macau Special Administrative Region. By the end of 2025, the Macau operations accounted for approximately 20% of the Group's total revenue.

A key driver of this growth has been our focus on specialized, high-barrier sectors. Our Macau subsidiary holds essential medical import licenses, allowing us to provide highly regulated distribution services for both FMCG and healthcare-related products. This geographic and sector-specific diversification has provided the Group with a broader revenue base and allowed us to capture the recovery in the region's retail and hospitality sectors.

Technological Evolution: A Proprietary Digital Ecosystem

Over the past decade, the Group has expanded beyond traditional logistics software to develop a Proprietary Integrated Sales and Transportation Ecosystem. This digital backbone is built on two core pillars, designed to deliver a distinct competitive advantage in the full-service distribution market:

1. **Sales & Ordering Intelligence:** A custom-built B2B platform that manages complex marketing campaigns, diverse product SKUs, and real-time inventory management.
2. **Advanced Transportation Management System (TMS):** Developed specifically to handle the high-precision requirements of our cold-chain and FMCG fleets. This system optimizes route planning, monitors temperature integrity in real-time, and provides live delivery tracking, significantly reducing human error and fuel inefficiency.

The impact of these system enhancements reached a new breakthrough:

- **Automated Intelligence:** Replaced standard manual processing with a seamless, automated workflow that ensures high-speed accuracy.
- **Direct Client Behavior Database:** By capturing granular data at the point of order and delivery, the Group has built a robust database of client behaviors and market trends. This allows us to provide multinational partners with actionable insights into stock rotation and regional demand.

The global integration of Artificial Intelligence marks the beginning of the Group's "Next Decade" strategy. By evolving from a system that merely records data to one that actively predicts and optimizes, the Group is positioning itself to manage significantly higher transaction volumes without a proportional increase in operational costs.

2025 Annual Operational Review

Market Overview: Navigating a Complex Landscape

During 2025, the external economic environment remained challenging and characterized by high uncertainty. According to the report entitled "Gross Domestic Product (GDP) by Expenditure Component" released by the Census and Statistics Department (C&SD) of the Hong Kong Special Administrative Region, the year-on-year real GDP growth for 2025 was 3.5%. However, the C&SD's "Report on Monthly Survey of Retail Sales" indicated that the total retail sales value index decreased by 0.4% when compared to that for 2024. Notably, the "Bread, pastry, confectionery, and biscuits" sector saw a significant decline of 12.4%. Furthermore, data from the Transport and Logistics Bureau regarding "Container Throughput of Hong Kong Port" showed a year-on-year drop of 7.5%. These statistics reflect the broader impact felt by our customers.

The business environment in Macau was even more constrained than that in Hong Kong during 2025. According to the "Macao Economic Bulletin (Third Quarter)" issued by the Statistics and Census Service of the Government of Macao Special Administrative Region ("SCSM"), Macau's real GDP increased by 4.8% year-on-year through the third quarter of 2025, while the consumption and prices index saw a slight increase of 0.22%. Management believes the worst-case scenario for Macau has now passed.

The Group's revenue is partially driven by sales of Chinese New Year ("CNY") gift packs and seasonal products. Consequently, the timing of CNY—whether it falls early or late—creates a significant seasonal impact on year-end financial results. An early CNY (falling shortly after the fiscal year-end) typically drives higher sales volumes within the current reporting period, whereas a late CNY shifts that volume into the following year.

Achievement in 2025

Despite the challenging business environment, the Group continued to focus on its core logistics operations and the expansion of its full-service distribution business. Management maintained a cautious approach to spending, prioritizing inventory management and tightening trade receivables collection process to optimize operational cash flow and mitigate business risks.

The Group has successfully engaged one of the Asia's leading tissue products manufacturers to provide full distribution services in 2025. This partnership enables the Group to diversify its product offerings and customer base, which further mitigating concentration risk. The Group has successfully mitigated concentration risk by diversifying its portfolio, significantly reducing its historical reliance on any single customer or specific industry.

Meanwhile, the Group has strengthened its e-commerce operations through online platforms, establishing an additional sales channel by managing two e-stores that connect directly with end-customers. The sales management in e-business has become more efficiency and the sales volume has increased accordingly. Revenues from e-business increased by over sixteen times from 2024 to 2025. This significant growth will continue to drive sales in the coming years.

For the supply chain management services business, the Group has also prioritized enhancements in its logistics solutions. It has expanded its cold chain logistics services for an existing multinational food and beverage client, managing the client's daily logistics operations for one of the world's largest quick service restaurant chains, which operates over 250 stores in Hong Kong. This collaboration serves as a strong endorsement of the Group's capabilities and high service standards in the cold chain logistics sector. Leveraging its expertise, logistics skillset, and extensive network, the Group supports the client in managing complex logistics arrangements. The experience gained from previous projects is continuously applied to new engagements, ensuring consistent quality and operational efficiency. The revenue derived from the cold chain logistics services increased by approximately 28% representing substantial growth from 2024 to 2025.

Management Discussion and Analysis

The Group continuously upgrades its capabilities to maintain a high standard of service quality, reflecting its core values. In response to the diverse nature of its business needs and service offerings, the Group has developed a sales ordering tool to manage various sales activities, marketing campaigns, and data management. Management believes that the recent system upgrade will significantly enhance operational efficiency by reducing manual administrative tasks, streamlining the fulfillment process, and minimizing human error in order management, while also providing customers with a direct sales ordering platform.

The expansion into full-service distribution has yielded exceptional results, building on the momentum of the Group's initial acquisition of Macau operations. Following several years of infrastructure development, the Group achieved a breakthrough in 2025, with segment results more than tripling when compared to that for 2024.

By establishing a robust omnichannel network—including supermarkets, department stores, local chains, pharmacies, and e-commerce platforms—the Group has successfully scaled its brand portfolio. With a strong sales team and core supply chain management in place, management expects to reach new performance milestones, as these services provide a vital, value-added complement to the Group's existing supply chain solutions.

Besides business development, the Group has decided to cease the operations of a non-wholly owned subsidiary, which has reported consecutive losses over the past two years. Management believes that reallocating resources and focusing on new business opportunities will be more beneficial to shareholders.

With our motto "Always Can Do", we are committed to provide our customers reliable and professional logistics solutions to enhance efficiency and to gain a competitive advantage. We will continue to make every effort to stay ahead of our competitors.

Financial Review

Revenue

The revenue of the Group increased by approximately 4.6% from approximately HK\$351.4 million for the year ended 31 December 2024 to approximately HK\$367.4 million for the year ended 31 December 2025. The Group's revenue growth mainly derived from the full service distribution sales during the year ended 31 December 2025.

Other net income

Other net income comprised bank interest income and other miscellaneous income. Other net income amounted to HK\$3.9 million and HK\$1.3 million for the year ended 31 December 2024 and the year ended 31 December 2025 respectively. The decrease is mainly due to the decrease in interest income from bank, and marketing and promotion support income in 2025.

Employee benefits expenses

Employee benefits expenses primarily consisted of wages and salaries, medical benefits, and other allowances and benefits. Our employee benefits expenses amounted to approximately HK\$66.1 million for the year ended 31 December 2025 (2024: HK\$65.7 million). The increase is mainly due to salary increment. Our Group had a total of 183 and 172 full-time employees as at 31 December 2024 and 31 December 2025 respectively. The Group paid higher salaries to attract and retain talents but managed to reduce headcounts after streamlining our services.

Other expenses

Other expenses mainly include other operating cost for the warehousing and value-added services, electricity, repairs and maintenance, consumables, entertainment, rates, office and store supplies. For the years ended 31 December 2024 and 2025, other expenses amounted to approximately HK\$14.4 million and HK\$16.2 million respectively. The increase is mainly due to the increase in transportation costs as a result of the increase in the volume of the Macau operation, and the increase in the miscellaneous expense for overall full distribution business growth.

Taxation

Income tax expense represents the provision of Hong Kong Profit Tax and Macau Complementary Tax calculated at 16.5% and 12.0% respectively of the estimated assessable profits during the year ended 31 December 2025 and 2024. Both the Hong Kong SAR Government and the Macau SAR Government granted a reduction of profits tax for the year of assessment 2024-2025. Please refer to Note 9(a) to the consolidated financial statements for details.

Profit and total comprehensive income for the year ended 31 December 2025

The Group recorded a net profit after tax of approximately HK\$17.3 million for the year ended 31 December 2025, representing a decrease of approximately 6.7% when compared to that for the year ended 31 December 2024. The decrease in the net profit after tax is mainly due to (i) seasonal factors of earlier Chinese New Year period compared with 2024; (ii) continuous business loss and impairment loss of non-wholly owned subsidiary, which the management has decided to cease its operation, and (iii) unfavorable Hong Kong market for logistics services; led to a reduction of the volume of the overall supply chain management services; which net off the increase in the overall growth in the profit generated from the full services distribution business.

Liquidity and Financial Resources

The Group's operation and investments are financed principally by cash generated from its business operations and bank borrowings. As at 31 December 2025, the Group had net current assets of approximately HK\$80.7 million (2024: approximately HK\$54.6 million), cash and cash equivalents of approximately HK\$64.0 million (2024: HK\$48.9 million) and no bank borrowings (2024: HK\$1.0 million) as at 31 December 2025. The Directors have confirmed that the Group will have sufficient financial resources to meet its obligations as they fall due in the foreseeable future.

Gearing Ratio

As at 31 December 2025, the gearing ratio (calculated on the basis of total bank borrowings divided by total assets at the end of the year) of the Group was nil (2024: 0.01).

Foreign Currency Risk

The Group conducts its business activities in Hong Kong and Macau and the activities are denominated in Hong Kong dollars and Macau Patacas. Except for certain trade payables balance denominated in Swiss Franc which the Group has agreed a fixed exchange rate with the vendor, the Group currently does not have a foreign currency hedging policy. However, the Directors will continue to monitor the related foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

Capital Commitment

As at 31 December 2025, the Group did not have material capital commitments (2024: Nil).

Dividend

On 28 August 2025, the Board declared an interim dividend of 1.0 HK cent per share of the Company, amounting to approximately HK\$5,018,000 in aggregate (the "Interim Dividend"). The Interim Dividend has been paid on Friday, 26 September 2025 to the shareholders of the Company (the "Shareholder(s)") whose names appear on the register of members of the Company on Monday, 15 September 2025.

On 21 January 2026, the Board declared a special dividend of 1.5 HK cents per share of the Company, amounting to approximately HK\$7,528,000 in total (the "Special Dividend"). The Special Dividend has been paid on Wednesday, 25 February 2026 to the Shareholders whose names appear on the register of members of the Company on Monday, 9 February 2026.

The Board is pleased to announce that at the Board meeting held on Thursday, 26 March 2026, a resolution has been passed to recommend the payment of a final dividend (the "Final Dividend") of 1.25 HK cents (2024: 2.0 HK cents) per share amounting to approximately HK\$6,273,000 in aggregate.

Management Discussion and Analysis

The Final Dividend has been recommended by the Board and is subject to approval by the Shareholders in the forthcoming Annual General Meeting. The Final Dividend (if approved by the Shareholders in the forthcoming Annual General Meeting) will be paid in cash on or around Monday, 6 July 2026 to the Shareholders whose names appear on the register of members of the Company at the close of business on Friday, 12 June 2026, being the record date for determination of entitlements to the Final Dividend.

To determine the persons who are entitled to the proposed Final Dividend of 1.25 HK cents per share for the year ended 31 December 2025, the register of members of the Company will be closed from Wednesday, 10 June 2026 to Friday, 12 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order for a shareholder to qualify for the Final Dividend, all transfer forms accompanied by relevant share certificates, must be lodged with Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 9 June 2026.

Capital Structure

The capital structure of the Group consists of equity attributable to the owners of the Company which comprise of issued share capital and reserves. The Directors will review the Group's capital structure regularly. As part of this review, the Director will consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through payment of dividends, issuance of new shares as well as issue of new debts and redemption of existing debts.

Charge on the Group's Assets and Contingent Liabilities

As at 31 December 2025, the Group has no bank borrowings (2024: HK\$1.0 million). Certain subsidiaries within the Group have banking facilities of HK\$25.0 million (2024: HK\$25.0 million), in which HK\$25.0 million (2024: HK\$15.0 million) and HK\$0.0 million (2024: HK\$10.0 million) are guaranteed by the Group and co-guaranteed by the Group and non-controlling interests, respectively.

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

Material Acquisitions and Disposal

On 20 June 2024, the Group has accepted and signed an Offer to Renewal of Existing Tenancy Agreements in respect of the premises situated at the Allied Cargo Centre located at Nos. 150-164 Texaco Road, Tsuen Wan, New Territories, Hong Kong (the "Premises") for two years commencing from 1 July 2024 and expiring on 30 June 2026 (both dates inclusive).

Pursuant to the Hong Kong Financial Reporting Standards (HKFRS 16), the entering into of the Offer to Renewal of Existing Tenancy Agreements by the Tenant as tenant will require the Group to recognize the Premises as right-of-use asset. Accordingly, the transactions contemplated under the Offer Letters are regarded as acquisitions of assets by the Company under the Listing Rules. Hence, the Group recognized an addition of right of-use assets and lease liabilities of HK\$69 million respectively during the year ended 31 December 2024. For details of the Offer to Renewal of Existing Tenancy Agreements, please refer to the announcements of the Company dated on 20 June 2024 and 4 July 2024 and the circular of the Company dated on 26 July 2024.

For the year ended 31 December 2025, the Group did not have material acquisitions and disposal.

Employees and Remuneration Policies

As at 31 December 2025, the Group employed 172 (31 December 2024: 183) full time employees. We determine the employee's remuneration based on factors such as qualification, duty, contributions and years of experience.

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Yeung Kwong Fat (楊廣發), aged 73, was appointed as the Chairman of the Board, an Executive Director and the Chief Executive Officer of our Group on 4 September 2015. Mr. Yeung is also the chairman of the Nomination Committee. He is one of the founders of our Group and has been a director of World-Link Roadway System Company Limited since January 1994 and a director of World-Link Packing House Company Limited since July 2009. Mr. Yeung completed his secondary education in Hong Kong in July 1970. Since the establishment of the business of our Group, Mr. Yeung has accumulated over 25 years of experience in the logistics industry from managing the warehouse of our Group, negotiating business deals with clients and pitching the business of our Group to prospective customers. On top of the aforesaid, Mr. Yeung is currently also responsible for the overall corporate strategic planning, business development and major decision-making of our Group.

Mr. Lee Kam Hung (李鑑雄), aged 72, was appointed as an Executive Director of our Group on 4 September 2015. He is one of the founders of our Group and has been a director of World-Link Roadway System Company Limited since October 1990 and a director of World-Link Packing House Company Limited since March 1996. Mr. Lee completed his secondary education in Hong Kong in August 1971. Since the establishment of the business of our Group, Mr. Lee has accumulated over 25 years of experience in the logistics industry from managing the vehicle fleet and the transportation service of our Group. Since 2000, Mr. Lee has been the operation director of our Group, who is currently, on top of aforesaid, responsible for monitoring the business operations of our Group.

Mr. Luk Yau Chi, Desmond (陸有志), aged 61, was appointed as an Executive Director on 4 September 2015. Mr. Luk is also one of the members of the Remuneration Committee. Mr. Luk has been a director of World-Link Roadway System Company Limited and World-Link Packing House Company Limited since July 2009. Since 2009, Mr. Luk has been the commercial director of our Group, who is responsible for overseeing the overall business development of our Group and the support service division of our Group.

Mr. Luk obtained a Bachelor's Degree of Science in Business Studies from the University of Wales in the United Kingdom in July 1989, a Master's Degree in Business Administration from the University of Surrey in the United Kingdom in November 2001 and a Continuing Education Diploma in Professional Management for China Business from the City University of Hong Kong in May 2003.

Mr. Luk has over 15 years of experience in the food and beverage, catering and logistics industries. From September 1997 to May 2004, Mr. Luk worked as a sales manager at Unilever Bestfoods Hong Kong Limited (formerly known as CPC/AJI (Hong Kong) Limited), which is a supplier of food products, and he was responsible for developing sales strategies and was in charge of (i) the sales team in Hong Kong and Macau; and (ii) the export division of the company. From June 2004 to February 2007, Mr. Luk worked as a senior manager and subsequently the associate director in HAVI Food Services (Hong Kong) Limited (currently known as HAVI Logistics Services (Hong Kong) Limited), a company principally engaged in providing total supply chain solutions to customers (e.g. transporting food and non-food logistics good, providing storage and handling services, offering supply chain quality management and demand and supply planning services), where he was responsible for handling customer relationship and business development of the company and setting up operations process flows for new customers. From December 2013 to November 2014, Mr. Luk was the managing director in Rentokil Initial Hong Kong and Taiwan, a company principally engaged in pest control and provision of hygiene services to businesses where he was responsible for the overall business of the company.

Directors and Senior Management

Independent Non-executive Directors

Ms. Lai, Bibiana Wing Ying (黎穎影) aged 51, was appointed as an Independent Non-executive Director on 31 October 2024. She is the chairman of the Audit Committee and a member of the Nomination Committee.

Ms. Lai obtained a Bachelor's Degree in Commerce, majoring in Accounting, Commercial Law and Finance from the University of Sydney in 1995. Afterwards, she completed an MBA program offered by the Chinese University of Hong Kong in 2006. She is a qualified accountant and is a member of CPA Australia and a member of The Hong Kong Institute of Certified Public Accountants.

Ms. Lai has extensive experience in corporate and financial management. She served as an Area Director of Finance of Mandarin Oriental Hong Kong during 2017 to 2024 and as a Director of Finance of the InterContinental Hong Kong during 2012 to 2017.

Mr. Jung Chi Pan, Peter (鍾智斌), aged 58, was appointed as an Independent Non-executive Director on 1 January 2017. He is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee.

Mr. Jung obtained a Master of Business Administration Degree (Executive MBA Programme) from the Chinese University of Hong Kong in November 2015. In October 2016, he was elected a professional member of the Royal Institution of Chartered Surveyor.

Mr. Jung joined the Pico Group in 1988 and had substantial experience in the exhibition industry worldwide. He was the General Manager (Event Promotion) from 1994 to 2002 and was responsible for projects for a group of clientele which includes worldwide renowned brands. During the period from 2003 to 2005, he was appointed the General Manager of Bizart Asia Limited, (a subsidiary of Pico Group). He is the Co-founder of Milton Exhibits Group Limited, which specialises in event management, exhibition service, digital solution and general contracting work with 10 offices in Asia since 2006.

Mr. Mak Tung Sang (麥東生), aged 65, was appointed as an Independent Non-executive Director on 1 January 2017. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee.

Mr. Mak is a solicitor and a partner of Messrs. Simon C. W. Yung & Co., Solicitors since 2004. He obtained a Bachelor of Laws Degree from the University of Wolverhampton in 1998. In 2000, he obtained a Post-graduate Certificate in Laws from the University of Hong Kong.

Senior Management

Mr. Cheng Sing Yuen (鄭昇炫), aged 37, is the Chief Financial Officer, the Company Secretary and the authorised representative of our Group. He joined our Group in June 2020. He is mainly responsible for financial reporting, financial planning, treasury, financial control and company secretarial matters. Mr. Cheng obtained a Bachelor's Degree of Business Administration in Accounting from the Hong Kong Polytechnic University in 2011. He obtained a Master of Science in Professional Accounting and Corporate Governance from the City University of Hong Kong in June 2024. Mr. Cheng became a member of the Hong Kong Institute of Certified Public Accountants since 2015 and a graduate member of the Hong Kong Chartered Governance Institute since 2024. Mr. Cheng has not held any directorship in any public listed company in the past three years.

Prior to joining our Group, Mr. Cheng had worked in an international accountancy firm for approximately six years and the last position before he left the firm was a manager. He left the firm in 2019. He has over ten years of experience in accounting, financial management and auditing. Mr. Cheng has extensive experience in providing listed companies (whose shares are listed on the Main Board of the Stock Exchange) and multinational corporations, service which include financial management, risk management, internal control and services in relation to initial public offerings and notifiable transactions.

Mr. Chan Fu Yuen (陳富元), aged 46, is the commercial director of our Group since January 2016, leading a team which processes daily deliveries and is responsible in ensuring customer satisfaction and quality service. He became the operations manager of our Group since July 2014. He joined our Group in November 2012 and has had over 10 years of experience in logistics and supply chains prior to joining our Group. Mr. Chan received a Bachelor's Degree of Science in Shipping Technology and Management and a Master's Degree in Industrial Logistics System, both from the Hong Kong Polytechnic University in 2001 and 2006 respectively.

Prior to joining our Group, Mr. Chan worked as the assistant supervisor at River Trade Terminal Co. Ltd. from August 2001 to February 2003. From May 2003 to March 2008, Mr. Chan worked as an assistant manager at T.S. Lines Limited. From July 2008 to January 2009, he worked as a supply chain analyst at Woolworths Group Asia Limited. From March 2009 to November 2012, he worked as a supply chain manager at Transnational Logistics Solutions (HK) Limited.

Save as disclosed above, during the three years preceding the date of this annual report, none of our senior management held any directorships in any public companies whose securities are listed on any securities market in Hong Kong or overseas. None of our senior management has any relationship (including financial business, family or other material/relevant relationship) with other Directors, senior management and Controlling Shareholders of our Company.

CORPORATE GOVERNANCE REPORT

The Directors consider that incorporating the core elements of good corporate governance in the management structure and internal control procedures of the Group would help to balance the interest of the shareholders, customers and employees of the Company. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 of the Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner. In accordance with the requirements of the Listing Rules, the Company has established an Audit Committee, a Nomination Committee and a Remuneration Committee with specific written terms of reference.

Except for the deviation from CG Code provision C.2.1, the Company's corporate governance practices have complied with the CG Code. CG Code provision C.2.1 stipulates that the role of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Yeung Kwong Fat ("Mr. Yeung") is the Chairman and the Chief Executive Officer of our Company. In view of Mr. Yeung being one of the co-founders of our Group and has been operating and managing World-Link Roadway System Company Limited and World-Link Packing House Company Limited since 1994 and 2009 respectively, our Board believes that it is in the best interest of our Group to have Mr. Yeung taking up both roles for effective management and business development. Therefore our Directors consider that the deviation from the CG Code provision C.2.1 is appropriate in such circumstance.

The Board believes that the balance of power and authority is adequately ensured by the operations of the Board which comprises experienced and high-caliber individuals, with three of them being Independent Non-executive Directors. Independent Non-executive Directors can share their view and opinions by holding meetings with the senior management. Where necessary the Chairman of the Board can hold meetings with the Independent Non-executive Directors without the presence of other Directors to obtain independent advice on various issues of the Group.

Securities Transactions by Directors

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions By Directors of Listed Issuers in Appendix C3 of the Listing Rules. The Company, having made specific enquiry of all the Directors, is not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors during the year ended 31 December 2025.

Competing Interest

For the year ended 31 December 2025, the Directors are not aware of any business or interest of the Directors, the Controlling Shareholders, and their respective associates (as defined under the Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest.

Mr. Yeung Kwong Fat, Mr. Lee Kam Hung, Mr. Luk Yau Chi, Desmond, Orange Blossom International Limited, Best Matrix Global Limited and Leader Speed Limited (collectively the "Covenantors") have entered into a Deed of Non-competition (the "Deed") on 25 April 2017. The Company had been listed on the Main Board on 15 November 2017 and the Deed had taken into effect on the same day. Details of the Deed have been disclosed in the Transfer of Listing from the Growth Enterprise Market to the Main Board of the Stock Exchange of Hong Kong Limited announcement dated 7 November 2017 under the section headed "Competing Interests".

During the year ended 31 December 2025, the Independent Non-executive Directors have reviewed on behalf of the Company the compliance with the Deed and are satisfied that the Substantial Shareholders (as defined in the Listing Rules) and their associates have complied with the provisions of the Deed.

The Board of Directors

The Directors of the Company during the year and up to the date of this annual report are:

Executive Directors

Mr. Yeung Kwong Fat (*Chairman and CEO*)
Mr. Lee Kam Hung
Mr. Luk Yau Chi, Desmond

Independent Non-executive Directors

Ms. Lai, Bibiana Wing Ying
Mr. Mak Tung Sang
Mr. Jung Chi Pan, Peter

Details of the Chairman and the other Directors of the Company are set out in the section "Directors and Senior Management" of this annual report.

In compliance with rule 3.10 and 3.10A of the Listing Rules, the Company has appointed three Independent Non-executive Directors representing more than one-third of the Board and at least one of whom has appropriate professional qualifications, or accounting or related financial management expertise. The Company has received from each Independent Non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with the various guidelines set out in rule 3.13 of the Listing Rules.

With the various experience of both the Executive Directors and the Independent Non-executive Directors and the nature of the Group's business, the Board considered that the Directors have a balance of skills and experience for the business of the Group.

Functions of the Board

The principal functions of the Board include:

- reviewing, approving and monitoring fundamental financial and business strategies and major corporate actions;
- approving major acquisitions or disposals, corporate or financial restructuring, issuance of the Company's shares ("Shares") and other equity or debt instruments, payment of dividends and other distribution to the Group's shareholders;
- assessing the risks facing by the Group and reviewing and implementing appropriate measures to manage such risks;
- selecting and evaluating the performance and compensation of key management executives;
- approving nominations to the Board;
- reviewing and endorsing the recommended framework of remuneration of the Board and key management executives by the Remuneration Committee; and
- assuming overall responsibility for corporate governance.

According to the code provision D.1.2 of the CG Code, the management shall provide all members of the Board with monthly updates. During the year ended 31 December 2025, the Executive Directors have provided, and will continue to provide, to all Independent Non-executive Directors updates on any material changes to the position and prospects of the Group, which are considered to be sufficient to provide general updates of the Group's performance, position and prospects to the Board and allow them to give a balanced and understandable assessment of the same to serve the purpose required by the code provision D.1.2.

Corporate Governance Report

Terms of Appointment and Re-Election of Directors

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years (renewable automatically for a successive term of one year after the expiry), subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

Under the code provision B.2.2 of the CG Code, the Independent Non-executive Directors should be appointed subject to re-election. Each of the Independent Non-executive Directors has entered into an appointment letter with the Company for an initial term of one year subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

None of the Directors (including those proposed for re-election at the Annual General Meeting) has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Article 108 of the Articles of Association of the Company provide that subject to the manner of retirement by rotation of Directors as from time to time prescribed by the Listing Rules, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation and that every Director shall be subject to retirement by rotation at least once every three years.

Article 112 of the Articles of Association of the Company provides that the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his/her appointment and shall then be eligible for re-election. Any Director appointed under this Article shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

Continuous Professional Development

According to the code provision C.1.4 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure their contribution to the Board remains informed and relevant.

During the year ended 31 December 2025, all the Directors have participated in continuous professional development and the relevant details are set out below:

Name of Directors	Attending seminar(s)/ Reading relevant materials in relation to the business or directors' duties Yes/No
Executive Directors	
Mr. Yeung Kwong Fat (<i>Chairman and CEO</i>)	Yes
Mr. Lee Kam Hung	Yes
Mr. Luk Yau Chi, Desmond	Yes
Independent Non-executive Directors	
Ms. Lai, Bibiana Wing Ying	Yes
Mr. Mak Tung Sang	Yes
Mr. Jung Chi Pan, Peter	Yes

Continuous Professional Development (Continued)

For Ms. Lai Bibiana Wing Ying who was appointed as Independent Non-executive Director of the Company on 31 October 2024, the Company has provided her with briefings and packages of orientation materials on the operations and businesses of the Group, together with information relating to the duties and responsibilities of directors under statutory regulations and the Listing Rules.

Ms. Lai has obtained from a law firm qualified to provide legal advice on Hong Kong law as regards the requirements under the Listing Rules that are applicable to her as a director of a listed issuer and the possible consequences of making a false declaration or giving false information to the Stock Exchange on 26 September 2024. She has confirmed her understanding of her obligations as a director of the Company.

Independent Non-executive Directors

The Company has appointed three Independent Non-executive Directors to comply with Rule 3.10A of the Listing Rules. Furthermore, among the three Independent Non-executive Directors, Ms. Lai, Bibiana Wing Ying has the appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules. In accordance to Rule 3.13 of the Listing Rules, the Company has received from each of its Independent Non-executive Directors the written confirmation of her independence. The Company, based on such confirmations, considers its Independent Non-Executive Directors to be independent.

Board Committees

During the year ended 31 December 2025, to assist the Board in its work, the Board is assisted by three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, which are sufficiently resourced to fulfil their roles and their terms of reference have been approved by the Board and are available for review on the Company's website (<http://www.world-linkasia.com>) and the Stock Exchange website (www.hkex.com.hk).

Audit Committee

Our Company has established an Audit Committee on 16 December 2015 in compliance with Rule 3.21 of the Listing Rules. As at 31 December 2025, the Audit Committee comprised three Independent Non-executive Directors, namely Ms. Lai, Bibiana Wing Ying, Mr. Jung Chi Pan, Peter and Mr. Mak Tung Sang. Ms. Lai, Bibiana Wing Ying is the chairman of the Audit Committee.

Written terms of reference in compliance with paragraph D.3.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules have been adopted. It is the Board's responsibility to ensure that an effective internal control and risk management framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated to the Audit Committee the responsibility for the initial establishment and the maintenance of a framework of internal controls, risk management and ethical standards for the Group's management. The primary duties of the Audit Committee are, among other things, to review and supervise the financial reporting process and internal control and risk management systems of our Group to monitor the independence and objectivity of the external auditor, and to provide advice and comment to the Board on corporate governance issues and practices. The Audit Committee has reviewed the audited annual results of the Group for the year ended 31 December 2025.

Corporate Governance Report

Board Committee (continued)

Remuneration Committee

Our Company established a Remuneration Committee on 16 December 2015. As at 31 December 2025, the Remuneration Committee comprised Mr. Mak Tung Sang, Mr. Luk Yau Chi, Desmond and Mr. Jung Chi Pan, Peter, with Mr. Mak Tung Sang being the chairman. Written terms of reference in compliance with paragraph E.1.2 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules have been adopted. The primary duties of the Remuneration Committee are, (a) to determine the specific remuneration packages of all Executive Directors and senior management, including benefits in kind, pension rights and compensation payments, which include any compensation payable for loss or termination of their office or appointment, (b) to review and/or approve matters relating to the share scheme under Chapter 17 of the Listing Rules and (c) make recommendations to the Board of the remuneration of Independent Non-executive Directors.

Remuneration Policy

The remuneration policy of the Group to reward its employees and senior executives is based on their performance, qualifications, competence displayed and market comparable. Remuneration package typically comprises salaries, contribution to pension schemes and discretionary bonuses. The Remuneration Committee will review annually the remuneration of all Directors to ensure that the remuneration package is attractive enough to attract and retain a competent team of executive members.

The Directors receive remuneration in the form of salaries, Director's fee, shares and contribution to pension scheme. The Director's fee for each of the Directors is subject to the Board's review from time to time in its discretion after taking into account the recommendation of the Remuneration Committee. The remuneration package of each of the Directors is determined by reference to market terms, seniority, experiences, duties and responsibilities of that Director within the Group.

Nomination Committee

Our Company has established a Nomination Committee on 16 December 2015 with written terms of reference. As at 31 December 2025, the Nomination Committee comprised Mr. Yeung Kwong Fat, Ms. Lai Bibiana Wing Ying, Mr. Mak Tung Sang and Mr. Jung Chi Pan, Peter, with Mr. Yeung Kwong Fat being the chairman. Written terms of reference in compliance with paragraph B.3.1 of the Corporate Governance Code as set out in Appendix C1 to Listing Rules have been adopted. The Nomination Committee is mainly responsible for making recommendations to the Board on appointment of Directors and succession planning for our Directors.

Board Diversity Policy

The Board has on 25 March 2019 adopted a Board Diversity Policy in accordance with Rule 13.92 of the Listing Rules, which recognises the benefits of a Board that possesses a balance of skills set, experience, expertise and diversity of perspectives appropriate for the strategies of the Company. The Company believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value.

Board appointment has been, and will continue to be, made based on merit and attributes that the selected candidate will bring to the Board to complement and expand the competencies, experience and perspectives of the Board as a whole, taking into account the corporate strategy of the Company and the benefits of various aspects of diversity, including but not limited to gender, age, experience, cultural and educational background, expertise, skills and know-how and other factors that the Board may consider relevant from time to time towards achieving a diversified Board.

Measurable Objectives

The Board has recently reviewed the structure, size and composition (including the skills set, knowledge and experience) of the Board. The following tables illustrate the diversity of the Board Members as of the date of this annual report:

Board Committee (continued)

Measurable Objectives (Continued)

Name of Directors	Logistics Industry	Professional Experience			Exhibition Industry
		Management	Accounting and Finance	Law	
Mr. Yeung Kwong Fat (<i>Chairman and CEO</i>)	✓	✓			
Mr. Lee Kam Hung	✓	✓			
Mr. Luk Yau Chi, Desmond	✓	✓			
Ms. Lai, Bibiana Wing Ying			✓		
Mr. Jung Chi Pan, Peter					✓
Mr. Mak Tung Sang				✓	

To achieve gender diversity, selection of candidates will be based on a range of diversity perspectives with reference to the Company's business model and specific needs which includes gender, skills, age, professional experience, knowledge, independence, cultural and educational background, ethnicity and length of service. The ultimate decision will be based on merits and the contributions that the selected candidates will bring to the Board.

Succession planning to achieve gender diversity

In particular, in achieving gender diversity on the Board, the Company shall:

- have an appropriate balance of gender diversity with reference to stakeholders' expectation and international and local recommended best practices;
- identify and select female individuals with a diverse range of skills, experience and knowledge in different fields from time to time and maintain a list of these female individuals who possess qualities to become Board members in order to develop a pipeline of potential successors to the Board;
- continue to take steps to promote gender diversity at all levels, including at the senior management levels; and
- provide career development opportunities and resources in training female staff with the aim of promoting them to the senior management levels or the Board level so that the Company will have a pipeline of female senior management and potential successors to the Board.

Continuous Monitoring

The Nomination Committee will monitor the implementation of this Policy by conducting review of the Board's composition at least once annually taking into account the benefits of all relevant diversity aspects, and adhering to this Policy when making recommendation on any Board appointments. The Nomination Committee will also ensure that Board diversity is considered as part of the evaluation of the Board's effectiveness.

Corporate Governance Report

Board Committee (continued)

Nomination Policy

The Board has on 16 July 2025 adopted a revised Nomination Policy in accordance with the CG Code, which sets out the procedure for the election, appointment and re-appointment of Directors (the "Nomination Policy"). The Nomination Policy specifies certain selection criteria and the Board succession planning consideration.

The Nomination Policy is reproduced as follows.

1. In carrying out its duties, the Nomination Committee shall give adequate consideration to the following principles:
 - (a) in relation to Board composition—the Board should have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. It should include a balanced composition of Executive and Independent Non-executive Directors so that there is a strong independent element on the Board and independent judgment can be effectively exercised. Independent Non-executive Directors should be of sufficient calibre and number for their views to carry weight;
 - (b) in relation to independence of the board—In order to ensure that independent views and input of the Independent Non-executive Directors are made available to the Board, the Nomination Committee and the Board are committed to assess the Directors' independence annually with regards to all relevant factors related to the Independent Non-executive Directors including the following:
 - requisite character, integrity, expertise, experience and stability to fulfill their roles;
 - time commitment and attention to the Company's affairs;
 - firm commitment to their independent roles and to the Board;
 - declaration of conflict of interest in their roles as Independent Non-executive Directors;
 - no involvement in the daily management of the Company nor in any relationship or circumstances which would affect the exercise of their independent judgement; and
 - the Chairman meets with the Independent Non-executive Directors regularly without the presence of the Executive Directors.
 - (c) in relation to appointment, re-election and removal of Directors—there should be a formal, considered and transparent procedure for selection, appointment and reappointment of Directors, as well as plans in place for orderly succession for appointments (if considered necessary). It should ensure that changes to the Board composition can be managed without undue disruption. All Directors should be subject to re-election at regular intervals in accordance with the Articles of Association of the Company.

Board Committee (continued)

Nomination Policy (Continued)

2. The criteria to be applied in considering whether a candidate is qualified shall be his/her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board (which includes but not limited to diversity in gender, age, experience, cultural and educational background, expertise, skills and know-how) as well as the effective carrying out by the Board of the responsibilities which, in particular, are set out as follows:
 - (a) participating in Board meetings to bring an independent judgment to bear on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
 - (b) taking the lead where potential conflicts of interests arise as Independent Non-executive Directors;
 - (c) serving on the Audit, Remuneration, Nomination and other governance committees, if invited;
 - (d) giving the Board and any committees on which he/she serves the benefit of his/her skills, expertise, varied backgrounds and qualifications through attendance and participation;
 - (e) monitoring or scrutinising the Company's performance in achieving agreed corporate goals and objectives;
 - (f) conforming to any requirement, direction and regulation that may from time to time be prescribed by the Board or contained in the constitutional documents of the Company or imposed by legislation or the Listing Rules, where appropriate; and
 - (g) if the candidate is proposed to be appointed as an Independent Non-executive Director, his/her independence shall be assessed in accordance with, among other things, the factors as set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.

Director Nomination Procedure

Subject to the provisions of the Articles of Association of the Company and the Listing Rules, if the Board determines that an additional or replacement Director is required, the Nomination Committee will deploy multiple channels for identifying suitable candidates, including referral from Directors, shareholders, management, advisors of the Company and external executive search firms.

Where a retiring Director, being eligible, offers himself/herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election at a general meeting. A circular containing the requisite information on such retiring Director will be sent to shareholders prior to a general meeting in accordance with the Listing Rules.

Shareholders of the Company may nominate a person to stand for election as a Director at a general meeting in accordance with the Articles of Association of the Company and applicable laws and regulations. The procedures for such proposal are stated on page 24 of this annual report.

The Board will from time to time review the Nomination Policy and monitor its implementation to ensure its continued effectiveness and compliance with regulatory requirements and good corporate governance practices.

Corporate Governance Report

Board Committee (continued)

Attendance Records of Meetings

The attendance of each Director at Board meetings, Audit Committee meetings, Nomination Committee meeting, Remuneration Committee meetings and general meetings held during the year is set out in the following table:

Name of Directors	Board meeting	Audit Committee meeting	Nomination Committee meeting	Remuneration Committee meeting	General meeting
Number of meetings held during the year	4	3	1	1	1
Number of meetings attended/Number of meetings entitled to attend					
Executive Directors					
Mr. Yeung Kwong Fat	4/4	–	1/1	–	1/1
Mr. Lee Kam Hung	3/4	–	–	–	1/1
Mr. Luk Yau Chi, Desmond	3/4	–	–	1/1	0/1
Independent Non-executive Directors					
Ms. Lai, Bibiana Wing Ying	4/4	3/3	1/1	–	1/1
Mr. Jung Chi Pan, Peter	4/4	3/3	1/1	1/1	1/1
Mr. Mak Tung Sang	4/4	3/3	1/1	1/1	1/1

Accountability and Audit

Directors' and Auditor's Responsibilities for the Consolidated Financial Statements

All Directors acknowledge their responsibility to prepare the Group's consolidated financial statements for each financial period to give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the consolidated financial statements for the year ended 31 December 2025, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable and prepared the consolidated financial statements of the Group on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. The statement of auditor about their reporting responsibilities on the consolidated financial statements is set out in the Independent Auditor's Report. The Directors continue to adopt the going concern approach in preparing the consolidated financial statements and 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.

Accountability and Audit (continued)

Auditor's Remuneration

During the year ended 31 December 2025, the remuneration paid or payable to the Company's auditor, KPMG, in respect of their audit and non-audit services was as follows:

	HK\$'000
Audit services	808
Non-audit services	25

The non-audit services provided by KPMG mainly include work performed on other assurance engagement and the preliminary announcement of results of the Group.

Internal Control and Risk Management

The Board acknowledges its responsibility for the effectiveness of the Group's internal control and risk management systems (including environmental, social and governance ("ESG") risks). The Board has reviewed the effectiveness of the systems of internal control and risk management of the Group, covering all material controls, including financial and operation for the year ended 31 December 2025 on an annual basis. The Board considers that the internal control system and risk management are effective. The Group has established an on-going process for identifying, evaluating and managing the significant risks of the Group, the Company has established a Corporate Governance Department to conduct periodic internal control reviews and legal compliance reviews on the Group's operations and to present its reports to the Audit Committee for consideration, including any remedial plans, if deemed necessary or appropriate. Under this system, the Audit Committee, after due consideration, will present its recommendations on such remedial plans to the Board, which would make the final decision on the implementation of such remedial plans.

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. Instead, a review on the internal control and risk management systems is done annually by an independent consultancy company. During the year ended 31 December 2025, an independent consultancy company with staff in possession of the relevant expertise has conducted an annual review to assess the effectiveness of the Group's risk management and internal control systems. This review covered major financial, operational and compliance controls in rotation basis and also the risk management functions. No significant deficiency has been identified during the course of the review and our systems have been operating effectively and adequately. The Audit Committee has reviewed the internal control review report issued by the independent consultancy company and concluded that the Company's risk management and internal control systems in respect of the year ended 31 December 2025 are effective and adequate.

The Group has yet to establish its internal audit function during the year ended 31 December 2025 as required under code provision D.2.5 of the CG Code. The Audit Committee and the Board have considered that the internal control review report prepared by an independent consultancy company and communications with the Company's external auditors in respect of any material control deficiencies identified during the course of the financial statement audit formed the basis to review the adequacy and effectiveness of the Group's risk management and internal control systems. The Audit Committee and the Board will continue to review the need for an internal audit function on an annual basis.

Handling and Dissemination of Inside Information

The Company has established and maintained procedures and internal controls for the handling and dissemination of inside information. The Company has adopted a code of conduct for dealing in the securities of the Company by the Directors in accordance with Appendix C3 of the Listing Rules. Other employees of the Group who are likely to be in possession of inside information of the Company are also subject to dealing restrictions. Any inside information and any information which may potentially constitute inside information is promptly identified, assessed and escalated to the Board and for the Board to decide on the need for disclosure. Inside information and other information which is required to be disclosed pursuant to the Listing Rules will be announced on the respective websites of the Company and the Stock Exchange.

Corporate Governance Report

Accountability and Audit (continued)

Investors and Shareholders Relations

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders. These include (i) the publication of interim and annual reports, announcements and circulars; (ii) the annual general meetings and extraordinary general meetings which provide a forum for shareholders to raise comments and exchanging views with the Board; (iii) updated and key information of the Group is available on the websites of the Stock Exchange and the Company; (iv) the Company's website offers a communication channel between the Company and its shareholders and investors; and (v) the Company's branch share registrars and transfer office in Hong Kong serving the shareholders in respect of all share registration matters.

The Company aims to provide its shareholders and investors with high standards of disclosure and financial transparency. The Board is committed to provide clear, detailed, timely manner and on a regular basis information of the Group to shareholders through the publication of interim and annual reports and/or dispatching circulars, notices, and other announcements.

The Company strives to take into consideration its shareholders' views and inputs, and address shareholders' concerns. Shareholders are encouraged to attend the annual general meeting for which at least 21 days' notice shall be given. The chairman of the Board as well as chairmen of the Audit Committee, the Nomination Committee and the Remuneration Committee, or in their absence, the Directors are available to answer shareholders' questions on the Group's businesses at the meeting. To comply with code provision F.2.2 of the CG Code, the management will ensure the external auditor to attend the annual general meeting to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

All shareholders have statutory rights to call for extraordinary general meetings and put forward agenda items for consideration by shareholders. According to Article 64 of the Articles, one or more shareholders holding, at the date of deposit of the requisition, not less than one tenth of the Voting rights on a one vote per share basis in the capital of the Company can request for the convening of an extraordinary general meeting. Such requisition shall be made in writing to the Board or the Secretary for the purpose of requiring an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition.

If a shareholder wishes to propose a person (the "Candidate") for election as a Director of the Company at a general meeting, he/she shall deposit a written notice (the "Written Notice") to the Company's principal place of business in Hong Kong at 3/F, Allied Cargo Centre, 150-164 Texaco Road, Tsuen Wan, N.T.

The Written Notice (i) must include the personal information of the Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the shareholder concerned and signed by the Candidate indicating his/her willingness to be elected and consent of the publication of his/her personal information.

The period for lodgment of the Written Notice shall commence on the day after the dispatch of the notice of general meeting and end no later than 7 days prior to the date of such general meeting.

In order to ensure the Company's shareholders have sufficient time to receive and consider the proposal of election of the Candidate as a Director of the Company without adjourning the general meeting, shareholders are urged to submit and lodge the Written Notice as early as practicable preferably at least 15 business days prior to the date of the general meeting appointed for such election.

In order to promote effective communication, the Company also maintains website (www.world-linkasia.com) which includes the latest information relating to the Group and its businesses.

Accountability and Audit (continued)

Company Secretary

The Company Secretary is accountable to the Board for ensuring that Board procedures are followed and Board activities are efficiently and effectively conducted. These objectives are achieved through adherence to proper Board processes and timely preparation of and dissemination to Directors comprehensive Board meeting agendas and papers. Minutes of all meetings of the Board and Board Committees are prepared and maintained by the Company Secretary to record in sufficient details the matters considered and decisions reached by the Board or Board Committees, including any concerns raised or dissenting views voiced by any Director. All draft and final minutes of Board meetings and meetings of Board Committees are sent to Directors or Board Committee members as appropriate for comments, approval and records. Board records are available for inspection by any Director upon request.

Mr. Cheng Sing Yuen has been appointed as the Company Secretary and the Authorised Representative of the Company with effect from 29 June 2020. He is a certified public accountant as defined in the Professional Accountants Ordinance. Mr. Cheng Sing Yuen has confirmed that he has taken no less than 15 hours of relevant professional training during the year ended 31 December 2025.

Constitutional Documents

The Company adopted the Second Amended and Restated Memorandum and Articles of the Company (the "Constitutional Documents") on 16 June 2022.

A copy of the Constitutional Documents is available on the websites of the Company and the Stock Exchange.

During the year ended 31 December 2025, there is no change to the Constitutional Documents.

The Board proposed to amend the Constitutional Documents in order to (i) bring the Company's memorandum and articles of association in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the relevant amendments made to the Listing Rules; (ii) provide the Company with more flexibility in the manner of holding general meeting by allowing general meetings to be convened and held by way of physical meetings, hybrid meetings or solely by electronic means; (iii) allow the Company to hold repurchased shares as treasury shares for future resale; and (iv) make some housekeeping amendments. The proposed adoption of the Third Amended and Restated Memorandum and Articles of Association is subject to the approval of the Shareholders by way of a special resolution at the 2026 annual general meeting.

Business Values and strategies

The Group has a set of clear business principles and corporate values to guide the Group in the decisions it takes and how it operates. The Group always aims to strength its position as a leading total logistics service provider in Hong Kong.

The Group intends to focus on the following strategies: (a) Expand the scope of services to cover different sector of customers, (b) Enhance its sales and marketing effort, (c) continue to attract and retain talented and experienced personnel, and (d) continue to strengthen its information technology and systems.

Integrity and code of conduct

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's Employee Handbook (including therein the Group's code of conduct), the Anti-corruption Policy and the Whistleblowing Policy of the Group. Trainings are conducted from time to time to reinforce the required standards in respect of ethics and integrity.

Corporate Governance Report

Accountability and Audit (continued)

Commitment

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent and produces the highest quality work. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

Whistleblowing Policy

The Group has a whistleblowing policy (the "Whistleblowing Policy") in place which provides formal channels and guidance to facilitate the raising of matters of concern by employees of the Group (the "Employee") and those who deal with the Group (e.g. customers, suppliers, creditors and debtors) (the "Third Parties", each a "Whistleblower"), in confidence, without fear of reprisals. Procedures have been formulated to enable the Whistleblower to report to the Group directly (addressed to the Office General Manager of the Group) suspected improprieties.

Anti-corruption Policy

The Group has an anti-corruption policy (the "Anti-corruption Policy") in place which sets out the guidelines and responsibilities of the Employees, the Third Parties and those acting in an agency or fiduciary capacity on behalf of the Group. The Group is committed to maintaining a high standard of integrity, openness and discipline in its business operations. The Anti-corruption Policy forms an integral part of the framework, including the CG Code and Whistleblowing Policy, outlines the Group's expectations and requirement of business ethics, as well as the investigation and reporting mechanism of suspected corruption practices.

DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2025.

Principal Activities

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out in note 17 to the consolidated financial statements.

Results and Appropriations

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 38.

The Board is pleased to announce that at the Board meeting held on 26 March 2026, a resolution has been passed to recommend the payment of a Final Dividend of 1.25 HK cents (2024: 2.0 HK cents) per share amounting to approximately HK\$6,273,000 (2024: HK\$10,037,000).

Interim Dividend of 1.0 HK cent (2024: 1.0 HK cent) per share has been declared during the year ended 31 December 2025 and paid in September 2025.

Special Dividend of 1.5 HK cents (2024: 2.0 HK cents per share) has been declared in January 2026 and paid in February 2026.

Dividend Policy

The Board of Directors of the Company has on 25 March 2019 approved the adoption of guidelines on future dividends to be paid by the Company in accordance with the CG Code. The Company is committed to maintaining sufficient resources and flexibility to meet the Company's financial and operational requirements. At the same time, the Company continually seeks ways to enhance shareholders' value to ensure sustainable long-term yields for shareholders.

Under the Dividend Policy, the Company gives priority to distributing dividend in cash and shares its profits with its shareholders. The dividend payout ratio shall be determined by the Board at its absolute discretion after taking into account the Company's financial results, future prospects and other factors, and subject to:

- the Articles of Association of the Company;
- the applicable restrictions and requirements under the laws of the Cayman Islands;
- any banking or other funding covenants by which the Company is bound from time to time;
- the investment and operating requirements of the Company; and
- any other factors that have material impact on the Company.

The Board may consider distributing special dividend to all shareholders, and the amount of which shall be determined and approved by the Board at its absolute discretion.

Under the Cayman Islands Companies Act and the Articles of Association of the Company, all of our shareholders have equal entitlement to dividends and distributions. The Board shall have the right to review the Dividend Policy from time to time as it deems fit according to the financial and business development requirements of the Company.

Directors' Report

Annual General Meeting

The 2026 annual general meeting of the Company (the "Annual General Meeting") is scheduled to be held on Thursday, 4 June 2026. A separate notice convening the Annual General Meeting will be issued and dispatched to the Shareholders in due course.

The register of members of the Company will be closed from Monday, 1 June 2026 to Thursday, 4 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 Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 May, 2026. The record date for the purpose of determining the eligibility of the shareholders to attend, speak and vote at the Annual General Meeting in Thursday, 4 June 2026.

Reserves

Details of movements in the reserves of the Group during the year ended 31 December 2025 are set out in the consolidated statement of changes in equity in this annual report.

Financial Summary

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 84.

Major Customers and Suppliers

The Group's largest customer contributed 10.3% of the total revenue for the year ended 31 December 2025 while the Group's five largest customers accounted for 39.3% of the total revenue for the year ended 31 December 2025.

The Group's largest supplier contributed 41.6% of the total purchase for the year ended 31 December 2025 while the Group's five largest suppliers accounted for 73.7% of the total purchase for the year ended 31 December 2025.

None of the Directors, their respective close associates (as defined in the Listing Rules) or any shareholders (which to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in any of the Group's five largest customers or suppliers referred to above.

Purchase, Sale or Redemption of the Company's Listed Securities

At no time during the year ended 31 December 2025, did the Company nor any of its subsidiaries purchase, sell or redeem any of the Company's listed securities.

Sufficiency of Public Float

Throughout the year ended 31 December 2025 and until the date of this annual report, based on the information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital is held by the public.

Pre-Emptive Rights

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

Share Capital

Details of the Company's share capital are set out in note 29 to the consolidated financial statements.

Distributable Reserves of the Company

Share premium, capital reserve and retained profit of the Company are available for distribution to ordinary shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. Accordingly, the Company's reserves available for distribution to shareholders at 31 December 2025 amounted to approximately HK\$91,794,000 (2024: HK\$92,336,000).

Directors

The Directors of the Company during the year and up to the date of this annual report were:

Executive Directors

Mr. Yeung Kwong Fat (*Chairman and CEO*)
Mr. Lee Kam Hung
Mr. Luk Yau Chi, Desmond

Independent Non-executive Directors

Ms. Lai, Bibiana Wing Ying
Mr. Mak Tung Sang
Mr. Jung Chi Pan, Peter

Appointment and re-election of Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed three Independent Non-executive Directors namely Mr. Mak Tung Sang ("Mr. Mak"), Mr. Jung Chi Pang, Peter ("Mr. Jung") and Ms. Lai, Bibiana Wing Ying ("INEDs"). The Company has received confirmations of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs and considers them to be independent.

As at the date of this annual report, both Mr. Mak and Mr. Jung have served the Board for more than nine years since their appointments on 1 January 2017. Pursuant to Code Provision B.2.3 of the CG Code, if an independent non-executive director has served more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders.

Both Mr. Mak and Mr. Jung have confirmed that they will continue to devote sufficient time for the discharge of their functions and responsibilities as INEDs of the Company. With their background and experience, Mr. Mak and Mr. Jung are fully aware of the responsibilities and expected time involvements in the Company. Based on the foregoing, the Board believes that the position of Mr. Mak and Mr. Jung outside the Company will not affect them in maintaining their current roles in, and their functions and responsibilities for, the Company. The Board also believes that the continued tenure of Mr. Mak and Mr. Jung will bring valuable contribution to the future sustainable development of the Company which is in the best interest of the Company and of the Shareholders.

Taking into consideration of their independent scope of works in the past years, the Directors consider Mr. Mak and Mr. Jung to be independent under the Listing Rules despite the fact that they have served the Company for more than nine years. Accordingly, Mr. Mak and Mr. Jung shall be subject to retirement rotation and re-election by way of a separate resolution approved by the Shareholders at the Annual General Meeting.

Directors' Service Contracts

Each of the Executive Directors has entered into a service agreement with the Company for a term of three years (renewable automatically for a successive term of one year after the expiry), subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles. Each of the Independent Non-executive Directors has entered into an appointment letter with the Company for an initial term of one year subject to early removal from office in accordance with the Articles, and retirement and re-election provisions in the Articles.

Directors' Report

None of the Directors (including those proposed for re-election at the Annual General Meeting) has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

Independent Non-Executive Directors' Confirmation of Independence

The Company received, from each of the Independent Non-executive Directors, Ms. Lai, Bibiana Wing Ying, Mr. Mak Tung Sang and Mr. Jung Chi Pan, Peter, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Nomination Committee assessed the independence of the Independent Non-executive Directors and affirmed that all Independent Non-executive Directors remained independent.

Directors' and Chief Executives' Interests in Shares

As at 31 December 2025, the Directors and their associates and chief executives had the following interests or short positions in shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

Interests in the Company

Name of Director and Chief Executive	Capacity	Number of shares held/ interested		Total interests	Percentage of Company's issued share capital
		Personal interests	Other interests		
Mr. Yeung Kwong Fat (Note 1, 2)	Interest in a controlled corporation; and beneficial owner	15,112,000	82,088,000	97,200,000	19.37%
Mr. Lee Kam Hung (Note 1, 3)	Interest in a controlled corporation; and beneficial owner	3,968,000	143,796,000	147,764,000	29.44%
Mr. Luk Yau Chi, Desmond (Note 1, 4)	Interest in a controlled corporation; and beneficial owner	5,852,000	76,060,000	81,912,000	16.32%
Mr. Jung Chi Pan Peter (Note 5)	Beneficial owner	64,000	–	64,000	0.01%
Mr. Mak Tung Sang (Note 6)	Beneficial owner	64,000	–	64,000	0.01%

Notes:

- As Mr. Yeung, Mr. Lee and Mr. Luk no longer intend to be bound by the acting in concert arrangement with each other for the purpose of family wealth and estate planning regarding their respective interests in the Company, they have on 9 July 2018 entered into a deed of termination (the "Termination Deed") to terminate the acting in concert arrangement under the Confirmatory Deed. Please refer to the announcement published by the Company on 9 July 2018 for details.
- 97,200,000 Shares in which Mr. Yeung is interested consist of (i) 82,088,000 Shares held by Orange Blossom International Limited, a company wholly owned by Mr. Yeung, in which Mr. Yeung is deemed to be interested under the SFO, and (ii) 15,112,000 Shares are directly held by Mr. Yeung.
- 147,764,000 Shares in which Mr. Lee is interested consist of (i) 143,796,000 Shares held by Best Matrix Global Limited, a company wholly owned by Mr. Lee, in which Mr. Lee is deemed to be interested under the SFO, and (ii) 3,968,000 Shares are directly held by Mr. Lee.
- 81,912,000 Shares in which Mr. Luk is interested consist of (i) 76,060,000 Shares held by Leader Speed Limited, a company wholly owned by Mr. Luk, in which Mr. Luk is deemed to be interested under the SFO, and (ii) 5,852,000 Shares are directly held by Mr. Luk.
- 64,000 Shares are directly held by Mr. Jung.
- 64,000 Shares are directly held by Mr. Mak.

Interests in Associated Corporation(s) of the Company

Name of Director	Name of associated corporation	Capacity/ Nature of interest	Number of shares	Percentage of shareholding
Mr. Yeung	Orange Blossom International Limited	Beneficial interests	1	100%
Mr. Lee	Best Matrix Global Limited	Beneficial interests	1	100%
Mr. Luk	Leader Speed Limited	Beneficial interests	1	100%

Save as disclosed above, as at 31 December 2025, none of the Directors and chief executive of the Company had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or (ii) which were required to be recorded in the register required to be kept by the Company under Section 352 of the SFO or (iii) which were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Substantial Shareholders' Interests in Shares

As at 31 December 2025, the following persons (other than Directors or Chief Executives of the Company) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of shareholder	Capacity	Number of Shares/ underlying Shares held/ interested	Percentage of Company's issued share capital
Best Matrix Global Limited (Note 1)	Beneficial owner	143,796,000	28.65%
Leader Speed Limited (Note 1)	Beneficial owner	76,060,000	15.16%
Orange Blossom International Limited (Note 1)	Beneficial owner	82,088,000	16.36%
Ms. Law Wai Yee (Note 2)	Interest of spouse	97,200,000	19.37%
Ms. Chan Pik Shan (Note 3)	Interest of spouse	147,764,000	29.44%
Ms. Wong Soo Fung (Note 4)	Interest of spouse	81,912,000	16.32%
Ms. Chan Ka Man (Note 5)	Interest of spouse	64,000	0.01%
Ms. Wong Shuk Ling Janine (Note 6)	Interest of spouse	64,000	0.01%

Notes:

- As Mr. Yeung, Mr. Lee and Mr. Luk no longer intend to be bound by the acting in concert arrangement with each other for the purpose of family wealth and estate planning regarding their respective interests in the Company, they have on 9 July 2018 entered into a deed of termination (the "Termination Deed") to terminate the acting in concert arrangement under the Confirmatory Deed. Please refer to the announcement published by the Company on 9 July 2018 for details.
- Ms. Law Wai Yee is the spouse of Mr. Yeung and is deemed, or taken to be, interested in Shares in which Mr. Yeung has interest under the SFO.
- Ms. Chan Pik Shan is the spouse of Mr. Lee and is deemed, or taken to be, interested in Shares in which Mr. Lee has interest under the SFO.

Directors' Report

Substantial Shareholders' Interests in Shares (continued)

4. Ms. Wong Soo Fung is the spouse of Mr. Luk and is deemed, or taken to be, interested in Shares in which Mr. Luk has interest under the SFO.
5. Ms. Chan Ka Man is the spouse of Mr. Jung and is deemed, or taken to be, interested in Shares in which Mr. Jung has interest under the SFO.
6. Ms. Wong Shuk Ling, Janine is the spouse of Mr. Mak and is deemed, or taken to be, interested in Shares in which Mr. Mak has interest under the SFO.

All the interests disclosed above represent long positions in the shares and underlying shares of the Company.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director or a chief executive of the Company) who had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 December 2025.

Arrangements to Purchase Shares or Debentures

At no time during the year ended 31 December 2025 was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Interests in Contracts of Significance

No contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of 31 December 2025 or at any time during the year ended 31 December 2025.

Emolument Policy

The Remuneration Committee reviews the Group's emolument policy and structure for remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market statistics.

Permitted Indemnity Provisions

At no time during the year ended 31 December 2025 and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the Directors of the Company (whether made by the Company or otherwise), or an associated company (if made by the Company).

An associated company is defined in Section 2(1) of the Hong Kong Companies Ordinance.

Remuneration of Directors and Five Individuals with Highest Emoluments

Details of the remuneration of the Directors and the five highest paid individuals for the year are set out in note 8 to the consolidated financial statements respectively.

Corporate Governance

The Company has complied with all code provisions (except for the deviation from CG code provision C.2.1) as set out in the Corporate Governance Code contained in Appendix C1 of the Listing Rules throughout the year.

Further information on the Company's corporate governance practices is set out in the "Corporate Governance Report" from page 14 to 26.

Environmental, Society and Corporate Responsibility

The Group is committed to support environmental protection to ensure business development and sustainability. We implement green office practices to reduce the consumption of energy and natural resources. These practices include the use of energy-saving lightings and recycled paper, reduce energy consumption by switching off idle lightings, computers and electrical appliances and the use of environmentally friendly products whenever possible.

The Company has complied with all relevant laws and regulations which include the Companies Act of the Cayman Islands and the Listing Rules and maintained good relationship with its customers, employees and investors.

For details, please refer to the Group's published "ESG Report".

Charitable Donation

The Company did not make any charitable donation during the year ended 31 December 2025 (2024: Nil).

Relationship with Employees, Customers and Suppliers

The Group acknowledges the importance to maintain good relationship with its employees and customers for the achievement of its short-term and long-term business objectives.

For the year ended 31 December 2025, there was no serious and material dispute between the Group and its employees, customers and suppliers.

Compliance with Laws and Regulations

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 December 2025.

Auditor

KPMG retire and, being eligible, offer themselves for reappointment. A resolution will be submitted to the annual general meeting of the Company to re-appoint KPMG as auditor of the Company.

On behalf of the Board

Yeung Kwong Fat

Chairman and Chief Executive Officer

Hong Kong, 26 March 2026

INDEPENDENT AUDITOR'S REPORT



**Independent auditor's report to the shareholders of
World-Link Logistics (Asia) Holding Limited**

環宇物流(亞洲)控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of World-link Logistics (Asia) Holding Limited ("the Company") and its subsidiaries ("the Group") set out on pages 38 to 83, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

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

Key audit matters

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

Independent Auditor's Report

Key audit matters (continued)

Revenue recognition in respect of supply chain management service business segment and full service distribution business segment

Refer to note 6 to the consolidated financial statements and the accounting policy note 3(o).

The Key Audit Matter

How the matter was addressed in our audit

The Group is involved in the provision of logistics services and full service distribution in Hong Kong. For the year ended 31 December 2025, the Group's supply chain management service income and full service distribution are approximately HK\$149 million and HK\$218 million, respectively.

Revenue from supply chain management service business is recognised when the services are rendered, with reference to the contractual terms of the service agreements, while revenue from full service distribution business is recognised when the customer takes possession of and accepts the products.

We have identified revenue recognition as a key audit matter as revenue is one of the key performance indicators of the Group which give rise to an inherent risk that revenue could be recorded in the incorrect financial period or could be subject to manipulation to meet financial targets or expectations.

Our audit procedures in relation to revenue recognition in respect of supply chain management service business segment and full service distribution business segment included the following:

- Obtaining an understanding of and assessing the design, implementation and operating effectiveness of the Group's key internal controls over revenue recognition;
- Inspecting, on a sample basis, the service agreements signed with customers of the Group and assessing the revenue recognition criteria with reference to the requirements of the prevailing accounting standards;
- Comparing, on a sample basis, specific revenue transactions recorded before and after the financial year end date with underlying documentation such as service agreements, customers' acknowledgement on the supply chain management services provided, good receipt notes for the sales of products, to determine whether the related revenue had been recognised in the appropriate financial period; and
- Inspecting underlying documentation for journal entries relating to revenue which were raised during the year and met specified risk-based criteria.

Apart from the above audit procedures, the following audit procedure also applies to the revenue recognition in respect of full service distribution business segment:

- Identifying credit notes issued and sales returns from the sales ledger subsequent to the financial reporting period which meet specific risk-based criteria, and by making enquiries of management and inspecting relevant underlying documentation to assess if the related revenue is recognised in the appropriate financial period.

Independent Auditor's Report

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than 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 the directors for the consolidated financial statements

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

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

The directors are assisted by the Audit Committee 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is LAM, Hon Kit (practising certificate number: P08064).

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

26 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Revenue	6	367,445	351,375
Other net income	11	1,315	3,945
Employee benefits expenses		(66,063)	(65,727)
Depreciation of property, plant and equipment and right-of-use assets		(42,866)	(44,271)
Sub-contracting expenses		(34,507)	(32,717)
Operating lease rentals in respect of rented premises		(720)	(1,365)
Operating lease rentals in respect of plant, machinery and equipment		(638)	(906)
Cost of products sold		(185,076)	(171,049)
Other expenses	10	(16,212)	(14,391)
Profit from operations		22,678	24,894
Finance costs	12	(2,539)	(2,487)
Profit before taxation		20,139	22,407
Income tax expense	9(a)	(2,804)	(3,836)
Profit for the year	12	17,335	18,571
Attributable to:			
Equity shareholders of the Company		17,932	18,972
Non-controlling interests		(597)	(401)
Profit for the year		17,335	18,571
Earnings per share (HK cents)	14		
Basic		3.57	3.78
Diluted		3.57	3.78

The notes on pages 42 to 83 form part of these financial statements. Details of dividends payable to equity shareholders of the Company are set out in note 13(a).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Non-current assets			
Property, plant and equipment	15	4,053	4,881
Right-of-use assets	16	24,951	63,876
Rental deposits	18	810	6,312
Deferred tax assets	20(b)	2,468	2,835
		32,282	77,904
Current assets			
Inventories – finished goods	19	71,388	67,120
Trade and other receivables and contract assets	21	120,823	103,327
Tax recoverable	20(a)	770	294
Rental deposits	18	6,217	184
Bank balances and cash	22	63,995	48,904
		263,193	219,829
Current liabilities			
Trade and other payables, accrued expenses and contract liabilities	23	159,018	111,940
Tax payable	20(a)	–	1,667
Reinstatement provisions	26	499	–
Lease liabilities	27	22,957	40,032
Amounts due to non-controlling interests	28	–	506
Dividend payable		–	10,037
Bank borrowings	24	–	1,000
		182,474	165,182
Net current assets		80,719	54,647
Total assets less current liabilities		113,001	132,551
Non-current liabilities			
Reinstatement provisions	26	–	499
Long service payment obligation		1,269	1,496
Lease liabilities	27	2,950	23,805
		4,219	25,800
NET ASSETS		108,782	106,751
CAPITAL AND RESERVES			
Share capital	29	5,018	5,018
Reserves	30	103,718	100,840
Total equity attributable to equity shareholders of the Company		108,736	105,858
Non-controlling interests		46	893
TOTAL EQUITY		108,782	106,751

The consolidated financial statements on pages 38 to 83 were approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

Mr. Yeung Kwong Fat
Director

Mr. Lee Kam Hung
Director

The notes on pages 42 to 83 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

		Attributable to equity shareholders of the Company					Non-	Total
		Share	Share	Merger	Retained	Total	controlling	equity
Note		capital	premium	reserve	profits		interests	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2024		5,018	66,139	10	40,810	111,977	1,294	113,271
Changes in equity for the year ended 31 December 2024:								
Profit and total comprehensive income for the year		-	-	-	18,972	18,972	(401)	18,571
Dividend approved in respect of previous year		13	-	-	(10,037)	(10,037)	-	(10,037)
Dividend declared in respect of the current year		13	-	-	(15,054)	(15,054)	-	(15,054)
At 31 December 2024 and 1 January 2025		5,018	66,139	10	34,691	105,858	893	106,751
Changes in equity for the year ended 31 December 2025:								
Profit and total comprehensive income for the year		-	-	-	17,932	17,932	(597)	17,335
Dividend approved in respect of previous year		13	-	-	(10,037)	(10,037)	-	(10,037)
Dividend declared in respect of the current year		13	-	-	(5,017)	(5,017)	-	(5,017)
Reduction in investment cost from non-controlling interests		-	-	-	-	-	(250)	(250)
At 31 December 2025		5,018	66,139	10	37,569	108,736	46	108,782

The notes on pages 42 to 83 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025
(Expressed in Hong Kong dollars)

	Note	2025 HK\$'000	2024 HK\$'000
Operating activities			
Profit before taxation		20,139	22,407
Adjustments for:			
(Reversal of provision)/provision for credit loss of trade receivables	10	(593)	240
(Reversal of provision)/provision for inventories	12	(1,051)	501
Depreciation of property, plant and equipment	12	2,643	3,234
Depreciation of right-of-use assets	12	40,223	41,037
Interest income	11	(45)	(387)
Finance costs	12	2,539	2,487
Loss on disposal of property, plant and equipment		9	179
Operating cash flows before movements in working capital		63,864	69,698
(Increase)/decrease in rental deposits		(531)	985
(Increase)/decrease in inventories		(3,217)	44,967
(Increase)/decrease in trade and other receivables and contract assets		(16,903)	2,320
Increase/(decrease) in trade and other payables, accrued expenses, contract liabilities and long service payment obligation		46,851	(30,755)
Net cash generated from operations		90,064	87,215
Income tax paid		(4,580)	(3,763)
Net cash generated from operating activities		85,484	83,452
Investing activities			
Payments for purchase of property, plant and equipment		(1,824)	(1,738)
Interest received		45	387
Net cash used in investing activities		(1,779)	(1,351)
Financing activities			
Repayment of bank borrowings	22(a)	(1,000)	(1,000)
Interests paid on bank borrowings		(11)	(55)
Dividend paid to equity shareholders of the Company	13(a)-(c)	(25,091)	(25,091)
Repayments of amounts due to non-controlling interests		(506)	–
Reduction in investment cost from non-controlling interests		(250)	–
Capital element of lease rentals paid	22(a)	(39,228)	(42,588)
Interest element of lease rentals paid	22(a)	(2,528)	(2,432)
Net cash used in financing activities		(68,614)	(71,166)
Net increase in cash and cash equivalents		15,091	10,935
Cash and cash equivalents at the beginning of the year		48,904	37,969
Cash and cash equivalents at the end of the year, represented by bank balances and cash		63,995	48,904

The notes on pages 42 to 83 form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 General

World-Link Logistics (Asia) Holding Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 27 July 2015 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and the principal place of business of the Company are disclosed in the section “Corporate Information” in the annual report.

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

The Company acts as an investment holding company. The Company and its subsidiaries (the “Group”) are principally engaged in the supply chain management service and full service distribution business. Particulars of the subsidiaries are set out in note 17.

2 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these financial statements, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures - Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity’s financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with 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 HKICPA and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. Material accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 3(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis except as otherwise stated in the accounting policies set out below.

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

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

The preparation of financial statements in conformity with HKFRSs requires management 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.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(c) Changes in accounting policies

The Group has applied amendments to HKAS 21, The effects of changes in foreign exchange rates – Lack of exchangeability issued by the HKICPA to these financial statements for the current accounting period. The amendments do not have a material impact on these financial statements as the Group has not entered into any foreign currency transactions in which the foreign currency is not exchangeable into another currency.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

For each business combination, the Group can elect to measure any non-controlling interests (“NCI”) either at fair value or at the NCI’s proportionate share of the subsidiary’s net identifiable assets. NCI are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the company. NCI in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between NCI and the equity shareholders of the company. Amounts due to NCI are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 3(k).

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in that former subsidiary is measured at fair value when control is lost.

In the Company’s statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 3(g)).

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(e) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group (see note 3(d)). The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred except if related to the issue of equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

(f) Property, plant and equipment and right-of-use assets

Property, plant and equipment, including right-of-use assets arising from the lease of underlying plant and equipment (see note 3(q)) are stated at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses (see note 3(g)):

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components).

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful lives for the current and comparative periods are as follows:

– Properties leased for own use	Over the period of lease term
– Plant and machinery	3 – 5 years
– Furniture and equipment	3 – 10 years
– Other equipment	3 – 5 years
– Leasehold improvements	Over the period of lease term
– Motor vehicles	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(g) Impairment of other non-current assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and other contract costs, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"s).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the resulting carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year.

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(h) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. 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.

(i) Trade and other receivables

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

Trade receivables that do not contain a significant financing component are initially measured at their transaction price. All receivables are subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses.

Measurement of expected credit losses (ECLs)

ECLs are a probability-weighted estimate of credit losses. Generally, credit losses are measured as the present value of all expected cash shortfalls between the contractual and expected amounts.

The expected cash shortfalls of trade and other receivables are discounted using the effective interest rate determined at initial recognition or an approximation thereof where the effect of discounting is material.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months); and
- lifetime ECLs: these are the ECLs that result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(i) Trade and other receivables (continued)

Significant increases in credit risk

When determining whether the credit risk of a financial instrument (including a loan commitment) has increased significantly since initial recognition and when measuring ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is 90 days past due.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss.

Credit-impaired financial assets

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

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

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(i) Trade and other receivables (continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the asset become 1 year past due and the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand deposits with banks within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL in accordance with the policy set out in note 3(i).

(k) Trade and other payables

Trade and other payables are initially recognised at fair value. Subsequent to initial recognition, trade and other payables are stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at invoice amounts.

(l) Employee benefits

(i) Share-based payments

The fair value of award shares ("Award Shares") granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the valuation model, taking into account the terms and conditions upon which the Award Shares were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the Award Shares, the total estimated fair value of the Award Shares is spread over the vesting period, taking into account the probability that the Award Shares will vest.

During the vesting period, the number of Award Shares that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of Award Shares that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until the Award Shares are issued (when it is included in the amount recognised in share capital for the shares issued).

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(l) Employee benefits (continued)

(ii) Retirement benefit costs

The contributions to defined contribution retirement plans are charged as an expense in the year as the related services are provided by employees.

The Group's net obligation under the Hong Kong Employment Ordinance in respect of long service payments on cessation of employment under certain circumstances is the estimated discounted amount of future benefit that employees have earned in return for their services in the current and prior periods. The obligation is calculated annually using the projected unit credit method, taking into account accrued benefits related to the Group's Mandatory Provident Fund (MPF) Scheme contributions that can be used to offset pre-transition long service payments.

(iii) Bonus plan

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities of the bonus plan are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(m) Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(n) Income tax

Income tax expense comprises current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax comprises the estimated tax payable or receivable on the taxable income or loss for the year and any adjustments to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects any uncertainty related to income taxes. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;
- taxable temporary differences arising on the initial recognition of goodwill; and
- those related to the income taxes arising from tax laws enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development.

The Group recognised deferred tax assets and deferred tax liabilities separately in relation to its lease liabilities and right-of-use assets.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(n) Income tax (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(o) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods or the provision of services.

Revenue is recognised when control over a product or service is transferred to the customer at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

(i) Service income

Service fees are recognised as revenue when the relevant services have been rendered.

(ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iii) Sale of products

Revenue is recognised when the customer takes possession of and accepts the products. If the products are a partial fulfilment of a contract covering other goods and/or services, then the amount of revenue recognised is an appropriate proportion of the total transaction price under the contract, allocated between all the goods and services promised under the contract on a relative stand-alone selling price basis.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(p) Provisions and contingent liabilities

Generally provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, a separate asset is recognised for any expected reimbursement that would be virtually certain. The amount recognised for the reimbursement is limited to the carrying amount of the provision.

(q) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. 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. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 3(f) and 3(g)).

Refundable rental deposits are accounted for separately from the right-of-use assets at amortised cost. Any excess of the nominal value over the initial fair value of the deposits is accounted for as additional lease payments made and is included in the cost of right-of-use assets.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(q) Leased assets (continued)

As a lessee (continued)

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of 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 lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's senior executive management, including executive directors, chief executive officer, chief operation officer and chief financial officer, who collectively review the Group's internal reporting in order to make strategic decisions.

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.

(s) Contract assets and contract liabilities

A contract asset is recognised when the Group recognises revenue (see note 3(o)) before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for ECL in accordance with the policy set out in note 3(i) and are reclassified to receivables when the right to the consideration has become unconditional (see note 3(o)).

A contract liability is recognised when the customer pays non-refundable consideration before the Group recognises the related revenue (see note 3(o)). A contract liability would also be recognised if the Group has an unconditional right to receive non-refundable consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised (see note 3(i)).

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

3 Material accounting policies (continued)

(t) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(u) Related parties

(1) 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.

(2) 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 (1).
- (vii) A person identified in (1)(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 Group'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 Accounting judgement and estimates

Sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. As the future is inherently uncertain, actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Accounting judgement and estimates (continued)

Sources of estimation uncertainty (continued)

Key sources of estimation uncertainty are as follows:

(a) Impairment of receivables

The Group performs regular review of the recoverability of receivables and makes loss allowance based on various factors including the aging of the receivables, historical write-off experience and forward-looking information. The identification of impairment of receivables requires the use of judgement and estimates. Where the expectations are different from the original estimates, such differences will impact the carrying values of receivables and the impairment loss on receivable is recognised in the years in which such estimates have been changed.

(b) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated cost of completion and distribution costs. These estimates are based on the sales volume history, the ageing of inventories, the physical condition of the inventories and the subsequent selling prices of inventories after year-end date. Management reassesses the estimations at the end of each reporting period.

5 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital, share premium, retained profits and other reserve.

The Group monitors capital on the basis of the adjusted net debt-to-equity ratio. The directors of the Company review the capital structure on a regular basis by considering the cost of capital and the risks associated with each class of capital. Based on recommendation of directors of the Company, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as share buy-backs.

The ratios as at 31 December 2025 and 2024 were as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Bank borrowings	–	1,000
Lease liabilities	25,907	63,837
Total debt	25,907	64,837
Add: declared special dividend after year ended date	7,528	–
Add: proposed dividend	6,273	10,037
Adjusted net debt	39,708	74,874
Total equity	108,782	106,751
Less: declared special dividend after year ended date	(7,528)	–
Less: proposed dividend	(6,273)	(10,037)
Adjusted total equity	94,981	96,714
Adjusted net debt-to-equity ratio	41.8%	77.4%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

6 Revenue

	2025 HK\$'000	2024 HK\$'000
Supply chain management service income	149,259	151,798
Full service distribution sales	218,186	199,577
	367,445	351,375

Disaggregation of revenue from contracts with customers by the timing of revenue recognition and by operating segments is disclosed in note 7(a). Revenue expected to be recognised in the future arising from contracts with customers in existence at the reporting date.

As at 31 December 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations under the Group's existing contracts is HK\$46,057,000 (2024: HK\$65,703,000). This amount represents revenue expected to be recognised in the future from service contracts entered into by the customers with the Group. The Group will recognise the expected revenue in future when or as the work is completed, which is expected to occur over the next 8 to 24 months (2024: next 12 to 32 months).

The Group has applied the practical expedient in paragraph 121 of HKFRS 15 to its service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the service contracts that had an original expected duration of one year or less.

7 Segment information

The Group's operating segments are determined based on information reported to the chief operating decision maker of the Group (the executive directors of the Company who are also directors of all operating subsidiaries) (the "CODM"), for the purpose of resource allocation and performance assessment. The directors regularly review revenue and results analysis by (i) supply chain management service business; and (ii) full service distribution business. No operating segments have been aggregated in arriving at the reportable segments of the Group. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to the CODM.

- Supply chain management service business This segment provides warehousing, transportation; value-added services; and customisation services. Currently the activities in this regard are primarily carried out in Hong Kong.
- Full service distribution business This segment provides wholesales and trading of goods. Currently the activities in this regard are primarily carried out in Hong Kong and Macau.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Segment information (continued)

(a) Segment revenue and results

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2025 and 2024 is set out below.

For the year ended 31 December 2025

	Supply chain management service business HK\$'000	Full service distribution business HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition					
Point in time	111,026	218,186	329,212	–	329,212
Overtime	38,233	–	38,233	–	38,233
Revenue					
Revenue from external customers	149,259	218,186	367,445	–	367,445
Inter-segment revenue	14,113	–	14,113	(14,113)	–
	163,372	218,186	381,558	(14,113)	367,445
Results					
Segment results	18,938	2,105			21,043
Unallocated corporate expenses					(904)
Profit before taxation					20,139

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Segment information (continued)

(a) Segment revenue and results (continued)

For the year ended 31 December 2024

	Supply chain management service business HK\$'000	Full service distribution business HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Total HK\$'000
Disaggregated by timing of revenue recognition					
Point in time	115,386	199,577	314,963	–	314,963
Overtime	36,412	–	36,412	–	36,412
Revenue					
Revenue from external customers	151,798	199,577	351,375	–	351,375
Inter-segment revenue	17,644	–	17,644	(17,644)	–
	169,442	199,577	369,019	(17,644)	351,375
Results					
Segment results	23,002	443			23,445
Unallocated corporate expenses					(1,038)
Profit before taxation					22,407

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3(r). Segment results represents profit earned from each segment without allocation of certain corporate income and expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Segment information (continued)

(b) Other segment information

For the year ended 31 December 2025

	Supply chain management service business HK\$'000	Full service distribution business HK\$'000	Segment total HK\$'000
Additions to property, plant and equipment	1,739	85	1,824
Additions to right-of-use assets	–	1,298	1,298
Depreciation of property, plant and equipment included in the measure of segment results	2,333	310	2,643
Depreciation of right-of-use assets included in the measure of segment results	38,818	1,405	40,223

For the year ended 31 December 2024

	Supply chain management service business HK\$'000	Full service distribution business HK\$'000	Segment total HK\$'000
Additions to property, plant and equipment	1,712	26	1,738
Additions to right-of-use assets	79,645	1,818	81,463
Depreciation of property, plant and equipment included in the measure of segment results	2,842	392	3,234
Depreciation of right-of-use assets included in the measure of segment results	39,629	1,408	41,037

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Segment information (continued)

(c) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's plant, property and equipment and right-of-use assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of plant, property and equipment and right-of-use assets and the location of the operation to which they are allocated.

	Revenue from external customers		Specified non-current assets	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Hong Kong	293,857	281,269	25,918	66,117
Macau	73,588	70,106	3,086	2,640
	367,445	351,375	29,004	68,757

(d) Information about major customers

Revenue from customers of corresponding years contributing over 10% of the Group's revenue are as follows:

	2025 HK\$'000	2024 HK\$'000
Customer A	38,010	N/A*
Customer B	37,045	43,091

* Revenue from this customer is accounted for less than 10% of the Group's revenue during the corresponding year.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Directors' remuneration and employees' emoluments

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

Details of the emoluments paid or payable by the entities comprising the Group to the directors and the chief executive of the Company are as follows:

For the year ended 31 December 2025

Name of director	Fee HK\$'000	Salaries and other allowances HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors (note i)					
Mr. Yeung Kwong Fat (note ii)	365	2,736	–	310	3,411
Mr. Lee Kam Hung	365	2,736	–	310	3,411
Mr. Luk Yau Chi, Desmond	365	2,736	–	310	3,411
Independent non-executive directors (note iii)					
Ms. Lai, Bibiana Wing Ying	180	–	–	–	180
Mr. Jung Chi Pan, Peter	200	–	–	–	200
Mr. Mak Tung Sang	200	–	–	–	200
	1,675	8,208	–	930	10,813

For the year ended 31 December 2024

Name of director	Fee HK\$'000	Salaries and other allowances HK\$'000	Discretionary bonuses HK\$'000	Retirement benefit scheme contributions HK\$'000	Total HK\$'000
Executive directors (note i)					
Mr. Yeung Kwong Fat (note ii)	365	2,736	–	310	3,411
Mr. Lee Kam Hung	365	2,736	–	310	3,411
Mr. Luk Yau Chi, Desmond	365	2,736	–	310	3,411
Independent non-executive directors (note iii)					
Ms. Lai, Bibiana Wing Ying (appointed on 31 October 2024)	31	–	–	–	31
Mr. How Sze Ming (resigned on 31 October 2024)	167	–	–	–	167
Mr. Jung Chi Pan, Peter	200	–	–	–	200
Mr. Mak Tung Sang	200	–	–	–	200
	1,693	8,208	–	930	10,831

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Directors' remuneration and employees' emoluments (continued)

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

- (i) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.
- (ii) Mr. Yeung Kwong Fat is the Chief Executive Officer of the Company and his emoluments disclosed above include those for services rendered by him as the chief executive officer.
- (iii) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

(b) Employees' emoluments

The five highest paid individuals of the Group for the year include 3 (2024: 3) individuals who were appointed as directors of the Company. The emoluments of the remaining 2 (2024: 2) individuals for the years are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other allowances	1,681	1,581
Performance related incentive payments	515	189
Retirement benefit scheme contributions	36	52
	2,232	1,822

The emoluments of the 2 (2024: 2) individuals with the highest emoluments are within the following bands:

	2025 Number of individuals	2024 Number of individuals
HK\$1,000,000 or below	–	2
HK\$1,000,001 – HK\$1,500,000	2	–

During the year, no emoluments were paid by the Group to any of the directors of the Company or the chief executive of the Group or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors of the Company or the chief executive of the Group waived any emoluments during both years.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

9 Income tax in the consolidated statement of profit or loss and other comprehensive income

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2025 HK\$'000	2024 HK\$'000
Current tax – Hong Kong Profits Tax and Macau Complementary (Corporate) Tax		
Provision for the year	2,909	4,360
Over-provision in respect of prior years	(472)	(88)
	2,437	4,272
Deferred tax		
Origination of temporary differences (note 20(b))	367	(436)
	2,804	3,836

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, taking into account a reduction granted by the Hong Kong SAR Government of 100% of the tax payable for the year of assessment 2025/26, subject to a maximum reduction of HK\$1,500 for each business (2024: a maximum reduction of HK\$1,500 was granted for the year of assessment 2024/25 and was taken into account in calculating the provision for 2024). A subsidiary of the Group is eligible for 8.25% tax band of the first HK\$2,000,000 under the two-tiered tax regime introduced by the Hong Kong SAR Government.

The provision for Macau Complementary (Corporate) Tax for 2025 is calculated at 12% (2024: 12.0%) of the taxable income for the year, taking into account a tax incentive granted by the Macau SAR Government for the tax-free income threshold of MOP600,000 for the tax year 2025 (2024: MOP600,000). No provision for tax has been made for the subsidiary in Macau as the subsidiary does not have assessable profit for Macau Complementary Tax for 2024.

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2025 HK\$'000	2024 HK\$'000
Profit before taxation	20,139	22,407
Notional tax on profit before taxation	3,189	3,812
Tax effect of expenses not deductible for tax purposes	–	98
Tax effect of income not taxable for tax purposes	(26)	(151)
Over-provision in prior years	(472)	(88)
Others	113	165
Income tax expense for the year	2,804	3,836

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

10 Other expenses

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration		
– Audit service	808	808
– Non-audit services	25	120
Legal and professional fees	946	1,177
(Reversal of provision)/provision for Credit loss of trade receivables	(593)	240
Transportation expense	3,508	3,008
Utilities	2,823	3,053
Repairs and maintenance expense	1,185	1,275
Warehouse expense	2,078	1,440
Packing materials	468	407
Insurance	1,758	1,732
Miscellaneous	3,206	1,131
	16,212	14,391

11 Other net income

	2025 HK\$'000	2024 HK\$'000
Interest income	45	387
Rental income from motor vehicle	450	600
Marketing and promotion support income	448	2,032
Others	372	926
	1,315	3,945

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Profit for the year

	2025 HK\$'000	2024 HK\$'000
Profit for the year has been arrived at after charging/(crediting):		
Employee benefits expenses		
– Wages, salaries and allowances	63,608	63,304
– Post-employment benefits	2,455	2,423
Cost of products sold	186,127	170,548
(Reversal of provision)/provision for inventories	(1,051)	501
Depreciation charge		
– Property, plant and equipment	2,643	3,234
– Right-of-use assets	40,223	41,037
Finance costs		
– bank borrowings	11	55
– interest on lease liabilities	2,528	2,432

13 Dividend

(a) Dividends payable to equity shareholders of the Company attributable to the year

	2025 HK\$'000	2024 HK\$'000
Final dividend proposed after the end of the reporting period of 1.25 HK cents per ordinary share (2024: 2.0 HK cents per ordinary share)	6,273	10,037
Interim dividend declared of 1.0 HK cent per ordinary share (2024: 1.0 HK cent per ordinary share)	5,017	5,017
Special dividend declared of nil HK cents per ordinary share (2024: 2.0 HK cents per ordinary share)	–	10,037
Special dividend declared after the end of the reporting period of 1.5 HK cents per ordinary share (2024: nil)	7,528	–
	18,818	25,091

The final dividend proposed and the special dividend declared after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Dividend (continued)

- (b) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and/or paid during the year

	2025 HK\$'000	2024 HK\$'000
Final dividend in respect of the previous financial year, approved and paid during the year, of 2.0 HK cents per ordinary share (2024: 2.0 HK cents per ordinary share)	10,037	10,037

- (c) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved in the previous year and paid during the year

	2025 HK\$'000	2024 HK\$'000
Special dividend in respect of the previous financial year, paid during the year, of 2.0 HK cents per ordinary share (2024: 2.0 HK cents per ordinary share)	10,037	10,037

14 Earnings per share

- (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$17,932,000 (2024: HK\$18,972,000) and the weighted average of 501,843,000 ordinary shares (2024: 501,843,000) in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2025 '000	2024 '000
Weighted average number of ordinary shares used in calculating basic earnings per share	501,843	501,843

- (b) Diluted earnings per share

For the years ended 31 December 2025 and 2024, diluted earnings per share equals basic earnings per share as there was no dilutive potential shares.

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(Expressed in Hong Kong dollars unless otherwise indicated)

15 Property, plant and equipment

	Plant and machinery HK\$'000	Furniture and equipment HK\$'000	Office equipment HK\$'000	Leasehold improvements HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
Cost						
At 1 January 2024	11,181	10,451	5,622	17,221	7,308	51,783
Additions	400	33	319	986	–	1,738
Disposal	–	–	(12)	–	(1,132)	(1,144)
At 31 December 2024 and 1 January 2025	11,581	10,484	5,929	18,207	6,176	52,377
Additions	287	119	301	1,117	–	1,824
Disposal	–	(42)	(184)	(25)	(1,148)	(1,399)
At 31 December 2025	11,868	10,561	6,046	19,299	5,028	52,802
Depreciation						
At 1 January 2024	10,137	9,954	4,845	14,414	5,877	45,227
Provided for the year	707	125	355	1,284	763	3,234
Disposal	–	–	(5)	–	(960)	(965)
At 31 December 2024 and 1 January 2025	10,844	10,079	5,195	15,698	5,680	47,496
Provided for the year	289	133	371	1,474	376	2,643
Disposal	–	(42)	(180)	(20)	(1,148)	(1,390)
At 31 December 2025	11,133	10,170	5,386	17,152	4,908	48,749
Carrying values						
At 31 December 2025	735	391	660	2,147	120	4,053
At 31 December 2024	737	405	734	2,509	496	4,881

16 Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	31 December 2025 HK\$'000	31 December 2024 HK\$'000
Properties leased for own use, carried at depreciated cost	24,951	63,876

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

	2025 HK\$'000	2024 HK\$'000
Depreciation charge of right-of-use assets:	40,223	41,037
Interest on lease liabilities	2,528	2,432
Expense relating to short-term leases	1,358	2,271

During the year, additions to right-of-use assets were HK\$1,298,000 (2024: HK\$81,158,000). This amount is primarily related to the capitalised lease payments payable under new/renewed tenancy agreements.

Details of the maturity analysis of lease liabilities are set out in note 27.

Properties leased for own use

The Group has obtained the right to use several industrial buildings as its warehouses and office premises through tenancy agreements, where its facilities are primarily located. The leases typically run for an initial period of 2 to 3 years.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

17 Investment in subsidiaries

Name of subsidiaries	Place of incorporation and operations	Issued and fully paid ordinary share capital	Proportion of issued share capital owned by the Group		Principal activities
			2025	2024	
Real Runner Limited (note)	British Virgin Islands	US\$3,000	100%	100%	Investment holding
World-Link Roadway System Company Limited	Hong Kong	HK\$10,000	100%	100%	Provision of warehousing, transportation and value-added services
World-Link Packing House Company Limited	Hong Kong	HK\$100	100%	100%	Provision of customisation services
World-Link Asia Limited	Hong Kong	HK\$10,000	100%	100%	Full service distribution
Forewide Companhia (Macau) Limitada	Macau	MOP25,000	100%	100%	Full service distribution
Skya Link Limited ("Skya Link")	Hong Kong	HK\$1,000	51%	51%	Full service distribution

Note: Real Runner Limited is directly held by the Company.

None of the subsidiaries had any debt securities outstanding at the end of the year or at any time during the year.

18 Rental deposits

The balances represent rental deposits placed by the Group in connection with its rented premises. An amount of HK\$810,000 (2024: HK\$6,312,000) will recover after one year from the end of the reporting period. Therefore, this balance is classified as non-current. All of the other rental deposits are expected to be recovered within one year.

19 Inventories

	2025 HK\$'000	2024 HK\$'000
Finished goods	73,754	70,537
Less: provision on inventories	(2,366)	(3,417)
	71,388	67,120

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	2025 HK\$'000	2024 HK\$'000
Provision for income tax expense for the year	2,909	4,360
Provisional tax paid	(3,679)	(2,987)
	(770)	1,373

Tax recoverable/(payable) in the consolidated statement of financial position represents:

	2025 HK\$'000	2024 HK\$'000
Tax recoverable	770	294
Tax payable	–	(1,667)
	770	(1,373)

(b) Deferred tax assets recognised

The followings are the major deferred tax assets recognised and movements thereon during the current and prior years:

	Accelerated tax depreciation HK\$'000	Credit loss allowance HK\$'000	Inventory provision HK\$'000	Tax loss carried forward HK\$'000	Total HK\$'000
At 1 January 2024	1,749	373	243	34	2,399
Credited/(debited) to profit or loss	170	10	290	(34)	436
At 31 December 2024 and 1 January 2025	1,919	383	533	–	2,835
Credited/(debited) to profit or loss	(276)	(90)	(1)	–	(367)
At 31 December 2025	1,643	293	532	–	2,468

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 3(n), the Group has not recognised deferred tax assets in respect of cumulative tax losses of \$2,143,000 (2024: \$1,015,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

The tax losses of \$nil (2024: \$313,000) for an overseas subsidiary will be expired in 3 years under current tax legislation. The tax losses of \$2,143,000 (2024: \$702,000) for a subsidiary in Hong Kong do not expire under the current tax legislation.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

21 Trade and other receivables and contract assets

	2025 HK\$'000	2024 HK\$'000
Trade receivables, net of loss allowance	110,217	98,120
Prepayments	1,759	988
Contract assets (note 25)	893	1,184
Deposits and other receivables	7,954	3,035
	120,823	103,327

The Group allows a credit period ranging from 0 day to 120 days (2024: 0 day to 120 days) to its customers.

The following is an ageing analysis of trade receivables presented based on the invoice dates and net of loss allowance at the end of the reporting period.

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	28,978	33,243
31 – 60 days	45,023	40,825
61 – 90 days	17,072	16,746
Over 90 days	19,144	7,306
	110,217	98,120

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in note 31(b).

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

22 Bank balances and cash

Bank balances and cash of the Group comprise bank balances that are interest-bearing at prevailing market rates.

(a) Reconciliation of liabilities arising from financing activities:

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

	Bank borrowings HK\$'000 (Note 24)	Lease liabilities HK\$'000 (Note 27)
At 1 January 2024	2,000	25,267
Changes from financing cash flows:		
Repayment of bank borrowings	(1,000)	–
Capital element of lease rentals paid	–	(42,588)
Interest element of lease rentals paid	–	(2,432)
Total changes from financing cash flows	(1,000)	(45,020)
Other changes:		
Increase in lease liabilities from entering into new/renewed leases during the year	–	81,158
Interest expenses	–	2,432
Total other changes	–	83,590
At 31 December 2024	1,000	63,837

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

22 Bank balances and cash (continued)

(a) Reconciliation of liabilities arising from financing activities: (continued)

	Bank borrowings HK\$'000 (Note 24)	Lease liabilities HK\$'000 (Note 27)
At 1 January 2025	1,000	63,837
Changes from financing cash flows:		
Repayment of bank borrowings	(1,000)	–
Capital element of lease rentals paid	–	(39,228)
Interest element of lease rentals paid	–	(2,528)
Total changes from financing cash flows	(1,000)	(41,756)
Other changes:		
Increase in lease liabilities from entering into new/renewed leases during the year	–	1,298
Interest expenses	–	2,528
Total other changes	–	3,826
At 31 December 2025	–	25,907

(b) Total cash outflow for leases

Amounts included in the statement of cash flows for lease rental payments comprise the following:

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	1,358	2,271
Within financing cash flows	41,756	45,020
	43,114	47,291

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

23 Trade and other payables, accrued expenses and contract liabilities

	2025 HK\$'000	2024 HK\$'000
Trade payables	138,133	101,536
Accrued employees' benefits	4,698	4,179
Accrued expenses	10,736	3,811
Other payables	1,870	2,328
Contract liabilities	3,581	86
	159,018	111,940

(a) Trade and other payables and accrued expenses

Credit periods granted by the creditors generally range from 0 to 190 days.

All of the trade and other payables and accrued expenses are expected to be settled within one year or are payable on demand. As at 31 December 2025, the ageing analysis of trade payables based on invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
0 – 30 days	98,817	6,969
31 – 60 days	16,267	10,268
61 – 90 days	8,843	30,570
Over 90 days	14,206	53,729
	138,133	101,536

(b) Contract liabilities

The Group receives deposits from customers for sale of products. This amount is recognised as a contract liability until the sales are completed and the goods are delivered to the customers.

	2025 HK\$'000	2024 HK\$'000
Balance at 1 January	86	938
Decrease in contract liabilities as a result of recognising revenue during the year that was included in the contract liabilities at the beginning of the period	(86)	(938)
Increase in contract liabilities as a result of receiving deposits from customers during the year in respect of sale of goods yet been delivered	3,581	86
Balance at 31 December	3,581	86

The contract liabilities as at 31 December 2025 are expected to be recognised as income within one year.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

24 Bank borrowings

At 31 December 2025, the bank borrowings were repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year or on demand – unsecured	–	1,000

As at 31 December 2024, all the bank borrowings were co-guaranteed by the Company and non-controlling interests of a subsidiary. None of the banking facilities as at 31 December 2025 and 2024 are subject to the fulfilment of covenants.

25 Contract assets

	2025 HK\$'000	2024 HK\$'000
Arising from performance under service contracts	893	1,184

All contract assets are expected to be recovered within one year.

The contract assets primarily relate to the Group's right to consideration for services performed and not billed because the rights are conditional on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

26 Reinstatement provisions

	Reinstatement works HK\$'000
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	499

The provision for the reinstatement works represents the management's best estimate of the liabilities associated with the removal and disposal of leasehold improvements at the end of a lease term when the Group is contractually obliged to restore the rented premises to a condition specified in the lease agreements.

27 Lease liabilities

At 31 December 2025 and 2024, the lease liabilities were repayable as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 year or on demand	22,957	40,032
After 1 year but within 2 years	2,842	21,776
After 2 years but within 5 years	108	2,029
	2,950	23,805
	25,907	63,837

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

28 Amounts due to non-controlling interests

At 31 December 2024, amounts due to non-controlling interests were unsecured, interest-free and repayable on demand.

29 Share capital

	Number of shares '000	Amount HK\$'000
Authorised		
At 1 January 2024, 31 December 2024 and 31 December 2025 of 1.0 HK cent	10,000,000	100,000
	Number of shares '000	Amount HK\$'000
Issued and fully paid:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	501,843	5,018
		HK\$'000
Shown in the consolidated statement of financial position		5,018

30 Reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out in note 34 to the financial statements.

(b) Nature and purpose of reserves

(i) Share premium

Pursuant to the Companies Law (2004 Revision) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company, provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

(ii) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised Award Shares granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3(l)(i).

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, short-term bank deposit with original maturity within three months, bank balances and cash and trade and other payables.

Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profit as monitored by management is set out in (i) below.

(i) Interest rate profile

The following table details the interest rate profile of the Group at the end of the reporting period.

	2025		2024	
	Effective interest rate %	HK\$'000	Effective interest rate %	HK\$'000
Fixed rate borrowings:				
Lease liabilities	2.5%-7.5%	25,907	2.5%-7.5%	63,837
Bank borrowings	–	–	6.2%	1,000
Total borrowings		25,907		64,837

No sensitivity analysis is presented as the borrowings are fixed rate instruments and not measured at fair value in the financial statements.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Financial risk management objectives and policies (continued)

(b) Credit risk

The Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual customer at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances is limited because the counterparties are banks with high credit ratings.

As at 31 December 2025, the Group has concentration of credit risk as 21.6% (2024: 35.8%) of the total trade receivables was due from the Group's largest customer. The Group's concentration of credit risk on the top five largest customers accounted for 52.7% (2024: 83.8%) of the total trade receivables as at 31 December 2025.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 0 day to 120 days from the date of billing. Normally the Group does not obtain collateral from customers.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Financial risk management objectives and policies (continued)

(c) Liquidity risk

In management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date the Group can be required to pay.

For the year ended 31 December 2025

	Contractual undiscounted cash outflow				Total HK\$'000	Carrying amount at 31 December HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000			
Trade and other payables and accrued expenses	155,437	–	–	155,437	155,437	
Lease liabilities	23,540	2,856	125	26,521	25,907	
	178,977	2,856	125	181,958	181,344	

For the year ended 31 December 2024

	Contractual undiscounted cash outflow				Total HK\$'000	Carrying amount at 31 December HK\$'000
	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years but less than 5 years HK\$'000			
Trade and other payables and accrued expenses	111,854	–	–	111,854	111,854	
Bank borrowings	1,016	–	–	1,016	1,000	
Amounts due to non-controlling interests	506	–	–	506	506	
Lease liabilities	42,274	22,720	2,063	67,057	63,837	
	155,650	22,720	2,063	180,433	177,197	

(d) Fair value measurement

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised costs in the consolidated financial statements approximate to their respective fair values at the end of the reporting period.

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

32 Retirement benefit schemes

The Group operates a defined contribution scheme for all qualified employees. The assets of the schemes are held separately from those of the Group, in funds under the control of trustees. The Group also participates in a defined contribution scheme which is registered under the MPF Scheme established under the Mandatory Provident Fund Ordinance in December 2025.

For members of the MPF Scheme, the Group contributes at the lower of HK\$1,500 per month or 5% of relevant payroll costs each month to the MPF Scheme, which contribution is matched by the employee.

The only obligation of the Group with respect to these retirement benefits schemes is to make the specified contributions. During the year, the total amount contributed by the Group to the schemes and cost charged to the profit or loss represents contributions paid/payable to the schemes by the Group at rates specified in the rules of the schemes. The retirement benefit scheme contributions made by the Group during the year amounted to HK\$2,455,000 (2024: HK\$2,421,000).

Provision for long service payments is recognised as an expense when employees have rendered services entitling them on cessation of employment in certain circumstances.

33 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

Remuneration for key management is the amount paid to the Company's Directors as disclosed in note 8. Total remuneration is included in "employee benefits expenses".

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

34 Company-level statement of financial position

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Investment in a subsidiary	25,183	25,183
Current assets		
Other receivables	273	264
Amounts due from subsidiaries	179,540	164,540
Bank balances and cash	8,432	10,917
	188,245	175,721
Current liabilities		
Other payables and accrued expenses	419	81
Amounts due to subsidiaries	116,197	93,432
Dividend payable	–	10,037
	116,616	103,550
Net current assets	71,629	72,171
Net assets	96,812	97,354
Capital and reserves		
Share capital	5,018	5,018
Reserves (Note)	91,794	92,336
	96,812	97,354

The Company's statement of financial position was approved and authorised for issue by the board of directors on 26 March 2026 and are signed on its behalf by:

Mr. Yeung Kwong Fat
Director

Mr. Lee Kam Hung
Director

Notes to the Consolidated Financial Statements

(Expressed in Hong Kong dollars unless otherwise indicated)

34 Company-level statement of financial position (continued)

Note:

	Share premium HK\$'000	Merger reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2024	66,139	25,183	6,679	98,001
Profit and total comprehensive income for the year	–	–	19,426	19,426
Dividend approved in respect of previous year	–	–	(10,037)	(10,037)
Dividend declared in respect of the current year	–	–	(15,054)	(15,054)
At 31 December 2024 and 1 January 2025	66,139	25,183	1,014	92,336
Profit and total comprehensive income for the year	–	–	14,512	14,512
Dividend approved in respect of previous year	–	–	(10,037)	(10,037)
Dividend declared in respect of the current year	–	–	(5,017)	(5,017)
At 31 December 2025	66,139	25,183	472	91,794

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to HK\$91,794,000 (2024: HK\$92,336,000).

35 Non-adjusting events after the reporting period

After the end of the reporting period, the Group declared a special dividend, and the directors proposed a final dividend. Further details are disclosed in note 13(a).

FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out below:

Results

	2025 HK\$'000	2024 HK\$'000	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
Revenue	367,445	351,375	331,204	327,646	336,512
Profit before taxation	20,139	22,407	23,981	24,838	18,140
Income tax expense	(2,804)	(3,836)	(3,936)	(3,395)	(2,159)
Profit/(loss) for the year attributable to:					
Equity shareholders of the Company	17,932	18,972	20,025	20,486	15,250
Non-controlling interests	(597)	(401)	20	957	731
Assets and Liabilities					
Total assets	295,475	297,733	296,737	214,527	242,603
Total liabilities	(186,693)	(190,982)	(183,466)	(105,266)	(124,674)
Net assets	108,782	106,751	113,271	109,261	117,929