



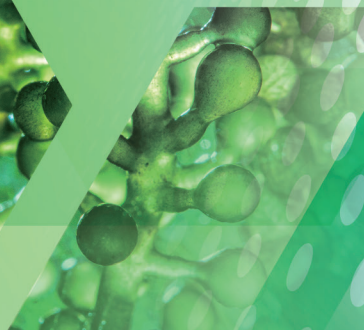
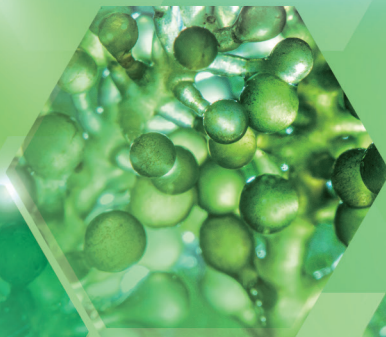
透雲生物
Ty Biotech

TOUYUN BIOTECH GROUP LIMITED 透雲生物科技集團有限公司

(Incorporated in Bermuda with limited liability)
Stock Code: 1332

2025 ANNUAL REPORT

Chlamydomonas Reinhardtii



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Corporate Information

DIRECTORS

Executive directors

Mr. Wang Liang (*Chairman*)
Mr. Du Dong

Non-executive directors

Mr. Chen Hui
Ms. Tian Yuze
Mr. Zhang Lele
Mr. Jia Wenjie (resigned on 13 June 2025)

Independent non-executive directors

Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen
Mr. Hu Guohua (resigned on 13 June 2025)

AUDIT COMMITTEE

Mr. Ha Kee Choy Eugene (*Chairman*)
Mr. Cheung Wing Ping
Mr. To Shing Chuen

NOMINATION COMMITTEE

Mr. Cheung Wing Ping (*Chairman*)
(re-designated as chairman on 4 July 2025)
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen (resigned on 6 June 2025)
Mr. Du Dong (resigned on 4 July 2025)
Mr. Wang Liang (resigned on 4 July 2025)
Ms. Tian Yuze (appointed on 6 June 2025)

REMUNERATION COMMITTEE

Mr. To Shing Chuen (*Chairman*)
Mr. Wang Liang
Mr. Du Dong
Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene

AUTHORISED REPRESENTATIVES

Mr. Du Dong
Mr. Wang Liang

COMPANY SECRETARY

Ms. Li On Lok

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

12/F, Kwan Chart Tower
6 Tonnochy Road
Wanchai, Hong Kong

INDEPENDENT AUDITORS

Moore CPA Limited
Certified Public Accountants
Registered Public Interest Entity Auditors

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited

SHARE REGISTRARS AND TRANSFER OFFICES

Principal share registrar and transfer office

Appleby Global Corporate Services (Bermuda) Limited
Canon's Court
22 Victoria Street
PO Box HM1179
Hamilton HMEX
Bermuda

Hong Kong branch share registrar and transfer office

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

WEBSITE

www.touyunbiotech.com.hk

STOCK CODE

1332

Chairman's Statement

To our shareholders,

On behalf of the board of directors (the “Board” and “Directors” respectively) of Touyun Biotech Group Limited (the “Company”) and its subsidiaries (collectively the “Group”), I am pleased to present the annual results of the Group for the year ended 31 December 2025.

OUR GOAL, VALUES AND STRATEGIES

At Touyun Biotech, we embrace the culture of continuous pursuit of providing humanity with nutritious, healthy, and environmentally-friendly food sources through the exploration of life sciences and the development of production technologies. After obtaining the Generally Recognized As Safe (GRAS) certification from the Food and Drug Administration (FDA) in the United States of America, our *Chlamydomonas reinhardtii* has successively passed the food safety reviews in Singapore, Hong Kong and the National Health Commission of the PRC. *Chlamydomonas reinhardtii* is sparking a new trend of staple food across the globe.

The Group's goal, values and strategies are set out below:

1. Our goal is to become a major player in improving the quality of human health and contributing to the carbon neutrality of the planet.
2. Our values are to provide healthy food, promote healthy concepts and adopting environmental-friendly methods of production.
3. Our strategies include: i) in terms of the consumer market, establishing two product series, including the trendy FMCG series and the professional series, and developing various sales channels and ways of cooperation both online and offline. We expect to achieve substantial sales and deepen consumers' awareness and acceptance of *Chlamydomonas reinhardtii* and its derivatives through a series of market campaigns to enhance the market exposure of our products and brand; ii) in terms of the industrial market, actively developing industrial clients to promote *Chlamydomonas reinhardtii*'s entry into more segments and consumer scenarios; iii) strengthening product and process research and development to improve production efficiency and reduce energy consumption.

BUSINESS REVIEW

For the year ended 31 December 2025, the Group recorded revenue of continuing operations of approximately HK\$67.0 million (2024: HK\$99.6 million), representing a decrease of approximately 32.7% as compared to the last year. The decrease in turnover was primarily attributable to the decrease in sales orders.

The profit for the year ended 31 December 2025 was approximately HK\$61.3 million (2024: loss for the year of HK\$88.0 million), representing an improvement of approximately HK\$149.3 million as compared to financial year 2024.

The improvement in profit for the year was mainly because of significant gain on fair value on financial assets at fair value through profit or loss (not held for trading).

The Group has disposed the QR code business segment during the year ended 31 December 2025 and recorded a gain of disposal of approximately HK\$22.9 million. This disposal has strengthened the cash flow of the Group, allowed the Group to improve its liquidity and allow the Group to reallocate its resources for future development of other major business operations.

Chairman's Statement

PROSPECTS

With big health being an emerging industry with huge market potential, Touyun Biotech's *chlamydomonas reinhardtii* products serve as excellent raw materials for health supplements and functional foods as they are characterized by their rich nutrients that are edible, easy for absorption, and highly safe. Therefore, in the next following years, our business operation will focus on further expanding the selection of *chlamydomonas reinhardtii* strains, developing application scenarios and end-user products, and improving and optimizing the production process.

Based on the *chlamydomonas reinhardtii* noodles and nutritional supplements that were already available in the market before 2022, we launched a series of food offerings with low glycemic index effects, including dried noodles, instant noodles, biscuits, cereal snacks, and meal replacement powders, in 2023.

In 2024, *Chlamydomonas reinhardtii* produced by the Group has expanded into new application scope and area after the Notice No. 0009 of Wei Shi Xin Zhong Zi [2024] from the National Health Commission (國家衛生健康委員會衛食新終字[2024]第0009號通知) was obtained regarding to the white strain of *Chlamydomonas reinhardtii*.

The Group has secured a significant long-term commercial cooperation through a Strategic Cooperation Agreement signed on 23 October 2025 with a Sales Consortium. This agreement underpins the Company's revenue visibility for the coming years, targeting a minimum aggregate purchase of RMB1 billion for our core *Chlamydomonas reinhardtii* and related products between 2026 and 2028.

This milestone contract not only validates the commercial viability and market demand for our product portfolio but also provides a strong financial foundation for the Group's growth trajectory over the next three years. We believe this partnership will enhance the Company's market position and contribute substantially to shareholder value.

Following our active expansion of offline distribution channels in the PRC market, our products have successfully penetrated into end markets, including over 2,000 supermarkets, convenience stores, and dining outlets, which will provide a solid foundation for our business growth in the future.

As our end-user products gradually become known and accepted by consumers in the market, the manufacturers from the food and health supplement sectors are also drawn to actively approach us to discuss their intention of cooperation in using the *chlamydomonas reinhardtii* powder as a food ingredient. Going forward, we will be launching a variety of new products using the green and white strain of *Chlamydomonas reinhardtii* designed to meet the diverse needs of our customers. These initiatives are designed to enhance customer experiences, drive operational efficiency, and solidify our position as a leader in the industry, so as to achieve breakthroughs in the sales of *chlamydomonas reinhardtii* raw materials.

APPRECIATION

I would like to express, on behalf of the Board, my sincere appreciation to the management and all staff for their dedication and valuable contributions. I also wish to thank all of our fellow Directors for their valuable contribution and shareholders and valued partners for their generous support. We are looking forward to overcoming the challenges with their combined efforts and achieving the Group's success in the future.

Wang Liang

Chairman

Hong Kong, 27 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided in the Chairman's Statement and the Management Discussion and Analysis of this report. Description of possible risks and uncertainties that the Group may be facing can be found in the Corporate Governance Report. Also, the financial risk management objectives and policies of the Group are disclosed in note 41 to the consolidated financial statements. In addition, discussions on the Group's environmental policies, compliance with relevant laws and regulations and relationship with its key stakeholders which have a significant impact on the Group are also contained in the Corporate Governance Report and Environmental, Social and Governance Report.

FINANCIAL REVIEW AND PROSPECTS

For the year ended 31 December 2025, the Group recorded revenue of continuing operations of approximately HK\$67.0 million (2024: HK\$99.6 million), representing a decrease of approximately 32.7% as compared to the last year. The decrease in turnover was primarily attributable to the decrease in sales orders.

The profit for the year ended 31 December 2025 was approximately HK\$61.3 million (2024: loss for the year of HK\$88.0 million), representing an improvement of approximately HK\$149.3 million as compared to financial year 2024.

The improvement in profit for the year was mainly because of significant gain on fair value on financial assets at fair value through profit or loss (not held for trading).

The Group has disposed the QR code business segment during the year ended 31 December 2025 and recorded a gain of disposal of approximately HK\$22.9 million. This disposal has strengthened the cash flow of the Group, allowed the Group to improve its liquidity and allow the Group to reallocate its resources for future development of other major business operations.

CONTINUING OPERATIONS

Packaging products business

The packaging products business reported in a revenue of approximately HK\$62.3 million for the year ended 31 December 2025 (2024: HK\$75.8 million), representing a decrease of approximately 17.8% as compared with last year. A segment loss of approximately HK\$9.2 million was recorded during the year ended 31 December 2025 (2024: HK\$7.4 million), such segment loss was due to the decrease in sales orders in 2025.

Treasury investment business

During the year, the Group recorded a fair value loss of approximately HK\$5.2 million on financial assets at fair value through profit or loss held for trading, compared to the fair value gain of approximately HK\$4.6 million in the previous year. Fair value gain of financial assets at fair value through profit or loss not held for trading amounting to approximately HK\$129.2 million was recognised during the year ended 31 December 2025 (2024: fair value loss of HK\$38.1 million).

Chlamydomonas reinhardtii products business

During the year, the Chlamydomonas reinhardtii products business recorded a turnover of approximately HK\$9.7 million (2024: HK\$16.1 million). The decrease of turnover comparing with last year is mainly due to the fluctuation of PRC market for new products, and a segment loss of approximately HK\$27.2 million (2024: HK\$13.0 million), representing an increase of segment loss of HK\$14.2 million, which mainly reflected idle capacity costs recognised during the production suspension, together with the absence of an inventory impairment reversal that had benefited the prior year.

Management Discussion and Analysis

On 15 January 2021, Shanxi Touyun Biotechnology Company Limited* (山西透雲生物科技有限公司) (“Shanxi Touyun”) and a Hebei Contractor entered into the Third Hand Hole and Heating Pipe Agreement in relation to the purchase and the installation of handholes and heating pipes for the production of *Chlamydomonas reinhardtii*, micro-algae and related products in Lucheng Economic and Technological Development Zone, Changzhuang Village, Dianshang Town, Lucheng District, Changzhi City, Shanxi Province, PRC* (山西省長治市潞城區店上鎮常莊村潞城經濟技術開發區). Hebei Contractor is a private entity established in the PRC engaging in the business of fermentation tanks contracting.

Pursuant to the Company’s announcements dated 12 August 2021 and 28 December 2021, the installation of production facilities for the manufacturing plants of 4,000 tons/year production scale was completed. After the optimization, the annual production capacity of *Chlamydomonas reinhardtii* will be 4,000 tons. The design of the plant, equipment and other facilities of the second phase with an annual capacity of 6,000 tons has begun, and its construction will commence anytime depending on market conditions. Pursuant to the Company’s announcements dated 13 May 2022, Shanxi Touyun has obtained the official approval from the National Health Commission of the People’s Republic of China (the “PRC”) for the use of “*Chlamydomonas reinhardtii*” as a new food ingredient, which is edible with unlimited quantities, which represented the official launch of *Chlamydomonas reinhardtii* products in the PRC market. Based on the *Chlamydomonas reinhardtii* noodles and nutritional supplements that were already available in the market before 2022, the Company launched a series of food offerings with low glycemic index effects, including dried noodles, instant noodles, biscuits, cereal snacks, and meal replacement powders, in 2023.

In 2024, Shanxi Touyun received the Notice No. 0009 of Wei Shi Xin Zhong Zi [2024] from the National Health Commission (國家衛生健康委員會衛食新終字[2024]第0009號通知) regarding the administrative license application for “*Chlamydomonas reinhardtii* (white strain)”, which was later renamed to “*Chlamydomonas reinhardtii*”. This application is substantially equivalent to the *Chlamydomonas reinhardtii* announced in the National Health Commission’s Announcement No. 2 of 2022 (2022年第2號公告). In another word, the white strain of *Chlamydomonas reinhardtii* was also approved as a food ingredient with unlimited quantities. The Company is currently developing a series of new products as such vegan fish, shrimp, and plant-based milk and continuously expanding the market and customers base.

The Group has secured a significant long-term commercial cooperation through a Strategic Cooperation Agreement signed on 23 October 2025 with a Sales Consortium. This agreement underpins the Company’s revenue visibility for the coming years, targeting a minimum aggregate purchase of RMB1 billion for our core *Chlamydomonas reinhardtii* and related products between 2026 and 2028.

The Board considers that there is growth potential for the *Chlamydomonas reinhardtii*, micro-algae products market as the population becomes more health conscious. Upon the commencement of the manufacturing facilities in Shanxi, the production and sale of *Chlamydomonas reinhardtii* and micro-algae related products will allow the Group to diversify its business and broaden its income streams.

DISCONTINUED OPERATION

QR code business

Revenue from QR code business was HK\$24.8 million and its segment loss was HK\$9.1 million during the year ended 31 December 2025 (2024: Revenue of HK\$60.4 million and segment loss of HK\$9.2 million). The QR code business has been discontinued in the current period after the disposal of Fortune Road. Details of which were disclosed in the circular of special general meeting of the Company dated 28 May 2025.

** for identification purpose only*

Management Discussion and Analysis

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group's financial position was actively and regularly reviewed throughout the year. As at 31 December 2025, the Group had outstanding (i) approximately HK\$333.6 million (2024: HK\$297.4 million) unsecured other borrowings, approximately HK\$22.4 million (2024: nil) secured other borrowings and approximately HK\$53.7 million (2024: HK\$68.7 million) secured bank borrowings, bearing interest ranging from 0.36%-1% per month (2024: 0.29%-1% per month), repayable within one year (2024: one to two years) and denominated in Renminbi ("RMB") and Hong Kong dollars ("HK\$"); (ii) amount due to a Director of approximately HK\$99.1 million (2024: HK\$97.2 million) which was unsecured, interest-free and repayable on demand; and (iii) amount due to a Shareholder of the Company of HK\$25.6 million (2024: HK\$24.6 million) which was unsecured, interest-free and repayable on demand. As at 31 December 2025, the Group had cash balances amounting to approximately HK\$5.1 million (2024: HK\$16.3 million). The gearing ratio (net borrowings to total capital) was approximately 94% (2024: 113%). The decrease of gearing ratio was primarily due to the improvement of profit made by the Group.

SHARE CAPITAL

There was no movement of the share capital during the year ended 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 6 March 2025, the Group disposed of 30% equity interest in Fortune Road International Limited ("Fortune Road"), a wholly-owned subsidiary of the Group, at a cash consideration of HK\$5,333,000 (equivalent to RMB5,000,000) to an independent third party. Details are set out in the Company's announcements dated 6 March 2025.

On 6 May 2025, the Group has entered a conditional disposal agreement with a substantial shareholder of Fortune Road to further dispose the 70% equity interest in Fortune Road at a cash consideration of HK\$13,867,000 (equivalent to RMB13,000,000) (the "70% Disposal"). Details of which were disclosed in the circular of special general meeting of the Company dated 28 May 2025. As at 31 December 2025, the 70% Disposal has been completed and the Group does not hold any interest in Fortune Road.

There were no other disposals, or any material acquisitions and disposals of any subsidiaries, associated companies and joint ventures during the year ended 31 December 2025.

CAPITAL COMMITMENTS

The Group has no capital commitment at the end of the reporting period.

PLEDGE OF ASSETS

The Group's buildings, leasehold lands and machinery which had an aggregate carrying value of HK\$20.3 million, HK\$60.5 million and HK\$53.7 million respectively were pledged to secure bank borrowings of approximately HK\$53.7 million as at 31 December 2025. In addition, the Group's equity interests in certain subsidiaries were pledged to secure two other borrowings of HK\$22.4 million as at 31 December 2025.

CONTINGENT LIABILITIES

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

FINANCE LEASE OBLIGATIONS

As at 31 December 2025, the Group has no outstanding obligations under finance lease (2024: Nil).

Management Discussion and Analysis

FOREIGN EXCHANGE RISK

The Group's revenues were mainly denominated in US dollars and Renminbi while expenses were mainly in HK\$ and RMB. In view of the prevailing financial market situation, the Group did not deal in any foreign exchange hedging products for the exposure of currency risk of Renminbi during the year. However, the Group will still closely monitor fluctuations in exchange rates and actively manage the currency risk involved.

BREACH OF LOAN AGREEMENTS AND CROSS-DEFAULTS UNDER CERTAIN LOAN FACILITIES

As at 31 December 2025, the Group's other borrowings of approximately HK\$176,144,000 had been past due. In addition, as set out in note 29, the Group's bank and other borrowings with carrying amounts of HK\$53,679,000 as at 31 December 2025 contained cross-default clause that the Group might be required for immediate repayment of the outstanding balances.

As at the date of this report, the relevant lenders have not issued any demand for immediate repayment or taken any enforcement action in respect of these amounts.

EMPLOYEES

As at 31 December 2025, the Group employed approximately 296 full-time employees in Hong Kong and the PRC (2024: Full-time: 485; Part-time: 2). The Group's remuneration policy is commensurate with merit, qualification and competence of its employees. In addition to salary and year-end bonus, the relevant remuneration packages also comprised of share options scheme, provident fund contribution, medical and life insurance.

In accordance with the rules and regulations in the PRC, we participate in the applicable housing provident funds and various social insurance plans for employees initiated by local and provincial governments. The Group and the PRC-based employees are required to make monthly contributions to these plans calculated as a specific percentage of the employees' salaries.

CHANGE OF ADDRESS OF BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

With effect from 1 January 2025 the Company's Bermuda principal share registrar and transfer office has been changed to Appleby Global Corporate Services (Bermuda) Limited at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM EX, Bermuda.

CHANGE OF HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

With effective from 30 September 2025, the Company's Hong Kong branch share registrar and transfer office has been changed to Tricor Investor Services Limited.

UPDATE ON USE OF PROCEED IN RELATION TO FUND RAISING ACTIVITIES

The Company would like to provide an update in respect of the use of the net proceeds in relation to the past fund raising activities as at 31 December 2025:

Reference is made to the announcements of the Company dated 10 August 2016, 9 November 2016, 18 November 2016, 24 January 2017, 21 February 2017, 3 October 2017, 10 November 2017, 31 August 2018, 13 March 2020, 14 April 2020, 17 July 2020 and 12 April 2021 in relation to the placing/subsorption of shares and issue of convertible bond (collectively refer as to "Announcements"). Unless otherwise stated, capitalised terms used herein shall bear the same meanings as defined in the Announcements.

As of the date of this report, except for HK\$3.4 million which was originally intended to be utilised for the Purchase of Transportation and Supplies remains unused (the "Remaining Proceeds"), the net proceeds from the Placing has been utilised in accordance with the purpose disclosed in the 2016 Placing announcements.

Management Discussion and Analysis

The Board hereby announces that after careful consideration, the Board has resolved to change the use of Remaining Proceeds to repayment of outstanding loans and payables.

Intended use of proceeds	Actual use of proceeds <i>HK\$ million</i>	Unutilised net proceeds up to 31 December 2025 <i>HK\$ million</i>	Revised use of Remaining Proceeds <i>HK\$ million</i>
(1) The Company raised HK\$406.1 million net proceeds from the placing of shares in November 2016 and the net proceeds were intended to be used as follow:			
(a) An amount of HK\$263.4 million was used for the redemption of the Promissory Note.	263.4	–	–
(b) An amount of HK\$142.7 million is for the expansion and development of its QR code business:			
(i) an amount of RMB55 million (equivalent to approximately HK\$63 million) towards an acquisition (the “Acquisition”) of 透雲物聯網科技(北京)有限公司 (TY Technology (Beijing) Co., Ltd*) in the PRC by 上海透雲物聯網科技有限公司 (Shanghai TY Technology Co., Ltd.*), an indirect wholly-owned subsidiary of the Company, under the relevant acquisition agreement dated 24 January 2017 which was completed in March 2017;	63	–	–
(ii) approximately HK\$14.4 million for the acquisition of plant and equipment (the “Plant and Equipment Acquisition”);	14.4	–	–
(iii) approximately HK\$58.7 million for research and development, recruitment of technical staff and other personnel and other working capital needs for QR codes business (the “Research & Development”); and	58.7	–	–
(iv) approximately HK\$6.6 million for the purchase of transportation and office supplies to support the “Finding the origins of the edible goods program” in different provinces in the PRC (the “Purchase of Transportation and Supplies”).	3.2	3.4	–
(v) repayment of loans and other payables	–	–	3.4

* For identification purposes only

Management Discussion and Analysis

Intended use of proceeds	Actual use of proceeds <i>HK\$ million</i>	Unutilised net proceeds up to 31 December 2025 <i>HK\$ million</i>	Revised use of Remaining Proceeds <i>HK\$ million</i>
(2) An amount of net proceeds of US\$39.6 million (equivalent to HK\$309.4 million) was raised from issue of US\$40 million 7% interest CB in November 2017. The Company early redeemed US\$13 million (equivalent to HK\$101.4 million) in principal amount of the CB in August 2018. Therefore, the net proceeds of HK\$203.3 million were intended to use as follows:			
(a) An amount of HK\$172.5 million was used for expansion and development of QR codes business; and	172.5	–	–
(b) An amount of HK\$30.8 million was used for general working capital of corporate office.	30.8	–	–
(3) An amount of net proceeds of HK\$49.88 million was raised from subscription of new shares in March 2020 and applied as general working capital of the Group.	49.88	–	–
(4) An amount of net proceeds of HK\$49.98 million was raised from subscription of new shares in April 2020 and applied as general working capital of the Group.	49.98	–	–
(5) An amount of net proceeds of HK\$19.98 million was raised from subscription of new shares in July 2020 and the Group intends to apply 70% of the net proceeds as repayment of interest of the CB and the remaining 30% of the net proceeds are applied as general working capital of the Group.	19.98	–	–
(6) An amount of net proceeds of HK\$28.18 million was raised from subscription of new shares in April 2021 and applied as general working capital of the Group.	28.18	–	–

REASON FOR CHANGE OF USE OF PROCEEDS

The allocation designated for the Purchase of Transportation and Supplies was originally intended to support the “Finding the Origins of the Edible Goods” program. This program had previously demonstrated operational synergy with the Group’s QR code business segment. However, following the completion of the disposal of Fortune Road International Limited, a former subsidiary of the Company (as detailed in the Company’s circular dated 28 May 2025), the QR code business was discontinued. Consequently, the related synergy ceased to exist, rendering it unfeasible for the Company to proceed with the edible goods traceability initiative.

As a result, the Remaining Proceeds have since been classified as idle financial resources within the Group. In light of the Group’s current cash flow position and scheduled loan repayments, the Board considers it in the best interest of the Group to reallocate the Remaining Proceeds towards the repayment of loans and payables.

The Board expects that the unutilised net proceeds shall be fully utilised by 31 December 2026.

Management Discussion and Analysis

SIGNIFICANT INVESTMENT HELD

As at 31 December 2025, the Group held listed investments and unlisted investments of approximately HK\$97.8 million, HK\$181.2 million respectively. An investment with a fair value of 5% or more of the Group's total assets is considered as a significant investment. A breakdown of the significant investments as at 31 December 2025 is set out below:

Nature of investments	Number of	Percentage of	Fair value	Fair value		Percentage to	Investment	Net profit/ (loss) of the investee	Notes
	shares held as at 31 December 2025	shareholding as at 31 December 2025	change for year ended 31 December 2025	as at 31 December 2025	as at 31 December 2024	the Group's total assets as at 31 December 2025			
		%	HK\$'000	HK\$'000	HK\$'000	%	HK\$'000	HK\$'000	
Financial assets at fair value through profit or loss									
<i>Listed Investment</i>									
Oshidori International Holdings Limited ("Oshidori")	130,326,000	2.11	75,980	97,744	21,764	15.77	22,235	147,542	(a)
<i>Unlisted Investments</i>									
FreeOpt Holdings Limited ("FreeOpt")	1,500,000	17.61	35,966	64,510	28,544	10.41	150,000	195,728	(b)
Tre-29 Investment (Holdings) Limited ("Tre-29")	2,625	11.33	23,660	48,610	24,950	7.84	40,000	149,555	(b)

Notes:

The net profit/(loss) of the above investees is based on the investee's financial information, which was:

(a) Based on its interim report for six months ended 30 June 2025.

(b) Based on its management accounts for year ended 31 December 2025.

Oshidori principally engages in investment holdings, tactical and/or strategical investments (including property investments), provision of financial services including the Securities and Futures Commission (the "SFC") regulated activities namely Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance), Type 8 (securities margin financing) and Type 9 (asset management); and provision of credit and lending services regulated under the Money Lenders Ordinance.

FreeOpt is principally engaged in the provision of finance and money lending businesses.

Tre-29 is principally engaged in investment holdings.

As an outlook for 2026, the global economy is facing more uncertain and complex economic environment, the management would take prudent approach to monitor and review the investment portfolio.

Management Discussion and Analysis

SUMMARY OF INVESTMENT POLICY

The Board has established a formal investment policy and strategy (the “Investment Policy”) to govern all financial investment activities undertaken by the Group. The overarching objective is the prudent, disciplined, and value-accretive deployment of capital to generate sustainable long-term returns and enhance shareholder value, while maintaining a robust risk management framework and ensuring alignment with the Group’s core business direction and financial obligations.

The Investment Policy provides a clear set of principles and guidelines governing the selection, approval, monitoring, and realisation of financial investments. The Board retains ultimate authority for approving major investments and reviews the overall strategy and compliance with policy limits. Management is responsible for continuous monitoring, due diligence, and execution. The Investment Policy is dynamic and subject to regular review by the Board and senior management to reflect evolving market conditions, the Group’s financial position, and regulatory requirements.

Key quantitative limits and risk management parameters embedded in the Investment Policy include a portfolio concentration limit whereby the aggregate carrying value of the Group’s financial investments shall not exceed 60% of the Group’s total assets. This ensures a substantial portion of assets is reserved for core operational requirements, working capital, debt servicing, and contingency needs. Furthermore, exposure to any single investment is capped at 25% of the Group’s total assets as a core diversification principle to mitigate concentration risk. To maintain financial flexibility, at least 30% of the investment portfolio by value must be allocated to highly liquid assets, primarily listed equities. The Investment Policy expressly prohibits investments in high-risk or speculative products, such as leveraged derivatives, illiquid structured products, or companies with unsatisfactory governance, poor financial transparency, or material compliance issues.

The Investment Policy also requires that every investment has a clearly defined holding rationale and exit strategy, established at inception and reviewed periodically. As an overall objective, the Company aims to achieve an average annualized return of approximately 15% for each of its investments. Other exit considerations include, among others, achievement of target returns, changes in market conditions, deterioration in investee fundamentals, or the need for portfolio rebalancing. The management conducts regular reviews of the investment portfolio, including semi-annual assessments of fair value, liquidity and risk concentrations, and adjusts the investment strategy to reflect changes in the Company’s financial position, market developments and regulatory landscape. In the event of a loss, an investment is subject to a mandatory and rigorous re-evaluation upon a decline in the fair value of an investment by 50% from its initial consideration. This trigger compels a rigorous re-evaluation of the original investment thesis, the investee’s long-term prospects, its potential for recovery and the opportunity cost of retaining the capital. This re-evaluation process will be conducted on a semi-annual basis for all investments as part of the Group’s standard portfolio monitoring. is a detailed exercise that assesses, inter alia, the followings: (i) an assessment of relative performance against relevant market benchmarks. A key review metric is whether the investment has underperformed the Hang Seng Index (HSI) by more than 60% over the comparable holding period; (ii) a review of the investee’s financial performance and stability, including whether the investee demonstrates improvement in key financial metrics (such as revenue or profitability) compared to the corresponding period in the prior year, and whether the investee maintains total assets of not less than HK\$200 million and whether its net assets have decreased by more than HK\$500 million as compared to the last reporting period; (iii) an evaluation of the investee’s scale. For listed securities, this includes monitoring whether the market capitalisation is sustained above HK\$200 million. For all investments, the total asset base is expected to be maintained above the HK\$200 million; or (iv) an assessment of the investee’s recovery prospects and turnaround viability. The management is of the view that the limits set out in the re-evaluation process are reasonable and appropriate, having regard to the Group’s investment objectives and portfolio size. Based on the further assessment, the management will decide whether to (i) hold the position and monitor for a turnaround, (ii) pursue an orderly divestment to maximise realised value, or (iii) exit the investment immediately to cut losses and prevent further capital erosion.

Oversight and governance are central to the Investment Policy. The Board retains ultimate authority for approving major investments and reviews the overall strategy and compliance with policy limits. Management is responsible for continuous monitoring, due diligence, and execution. The Investment Policy is dynamic and subject to regular review by the Board and senior management to reflect evolving market conditions, the Group’s financial position, and regulatory requirements.

Management Discussion and Analysis

INVESTMENT PORTFOLIO INDUSTRY FOCUS AND RECOVERY RATIONALE

As at 31 December 2025, the Group's investment portfolio was concentrated in the financial services sector (including securities trading, brokerage, money lending and asset management). The management's rationale for this strategic focus and its outlook on a recovery in this industry is based on several interconnected factors.

The management believes the financial services sector offer attractive risk-adjusted return potential and serve to diversify the Group's asset base and risk profile, with the primary investment driver being financial return through capital appreciation and income generation. The foreseen recovery is underpinned by anticipated improvements in macroeconomic conditions, where the stabilisation and strengthening of global and regional economies are expected to increase capital market activity, trading volumes, and demand for financing and asset management services. This is coupled with observed signs of stabilising investor sentiment following a period of market volatility, which is a fundamental driver for the securities brokerage, trading, and investment businesses.

Recognising the inherently cyclical nature of financial markets, the management's investment strategy is positioned to capture the upside as the cycle turns from the challenging environment experienced in prior periods towards recovery. This expectation is supported by the early signs of improving financial performance in certain portfolio companies.

The investments are under continuous review and may be partially or fully realised to crystallise gains upon reaching performance targets, to manage portfolio risk, or to reallocate capital in line with the Company's evolving strategic priorities, thereby ensuring the Group actively leverages the investment's liquidity to maximise shareholder value.

Directors' Profile

EXECUTIVE DIRECTORS

Mr. WANG Liang, aged 41, has been appointed as an Executive Director and authorised representative of the Company since 1 September 2016 and 31 December 2021 respectively. He also has been appointed as the Chairman of the Board since 23 January 2017. He is a member of the Remuneration Committee. He also serves as a Director of several subsidiaries of the Company. As Chairman, Mr. Wang is mainly responsible for leading the Board and managing its work to ensure that the Board effectively operates and fully discharges its responsibilities. In addition, he is also in charge of the business of provision of QR codes on product packaging, Chlamydomonas reinhardtii products business and related business intelligence IT solutions. Mr. Wang holds a bachelor's degree in physics from Imperial College of Science, Technology and Medicine, University of London and a master's degree in international finance from The University of Westminster. He has extensive experience in the international finance and project management. He had been working in international investment banks and responsible for clients' project management, projects merger and acquisition and various initial public offerings. Mr. Wang was an executive director (from January 2014 to February 2016), a chairman (from August 2014 to February 2016), a non-executive director (from February 2016 to August 2016) and a vice-chairman (from February 2016 to August 2016) of King International Investment Limited (formerly known as Life Healthcare Group Limited) (stock code: 928). He was also an executive director of China Ever Grand Financial Leasing Group Co., Ltd. (formerly known as PME Group Limited) (stock code: 379) from December 2012 to December 2014.

Mr. DU Dong, aged 40, has been appointed as an Executive Director of the Company since 15 December 2016. He is a member of the Remuneration Committee. He also serves as a Directors of several subsidiaries of the Company. Mr. Du is responsible for the daily management of the Group, recommending strategies to the Board, and determining and implementing operational decision. He holds a bachelor's degree of Science (Honors) in Computing Studies (Information Systems) from Hong Kong Baptist University. Mr. Du has extensive experience in investment, capital market, financing, merger and acquisitions of different projects with various investment banks and professional parties. He had been working in listed companies and responsible for investment, financing, projects merger and acquisition, covering coal mining, iron mining and gold mining, terminal and logistic services industry, education industry, financing lease industry and internet industry, etc. Mr. Du has a strong network in the capital market of Hong Kong and the PRC. He was a vice president of China Ever Grand Financial Leasing Group Co., Ltd (formerly known as PME Group Limited) (stock code: 379) from November 2013 to December 2016. He was an assistant to CEO of Theme International Holdings Limited (stock code: 990) from July 2010 to November 2013.

Directors' Profile

NON-EXECUTIVE DIRECTORS

Mr. CHEN Hui, aged 62, has been appointed as a Non-executive Director of the Company since 15 December 2016. Mr. Chen has over 18 years solid experience in information technology. He is an expert in software and hardware engineering, automation and control, and possesses extensive knowledge in Internet of Thing and various sensors. He has been involved in development and application of nearly 40 patents. Mr. Chen appointed as a President of 上海透雲物聯網科技有限公司 (Shanghai TY Technology Co. Ltd.*), an indirect wholly-owned subsidiary of the Company from 2011 to June 2021. He was a general manager of 質尊溯源電子科技有限公司 from 2009 to 2011, a general manager of 上海質尊電子科技有限公司 from 2004 to 2009, and a legal representative of 上海華暉自控設備有限公司 from 2000 to 2004.

Ms. TIAN Yuze, aged 34, has been appointed as a Non-executive Director of the Company since 7 April 2020. Ms. Tian holds a bachelor's degree in Economics (International Economics and Trade) from Beijing Institute of Petrochemical Technology, and a master degree of science from Nottingham Trent University. She has been working as a business manager in various entities, responsible for operation strategic planning, global marketing strategies and execution. She has extensive experience and exposure in international trade, sales and supply and business management in both PRC and overseas markets.

Mr. ZHANG Lele, aged 42, has been appointed as a Non-executive Director of the Company since 13 November 2020. He holds a bachelor of engineering in electrical engineering (information and communication engineering) from The Hong Kong University of Science and Technology. He also hold a master of business administration in finance from Cheung Kong Graduate School of Business. Mr. Zhang has extensive experience in business advisory to enterprise risk management, investment and capital market, as well as corporate restructuring. Mr. Zhang currently is a chief operation officer of a PRC company engaged in international auction business.

Directors' Profile

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEUNG Wing Ping, aged 59, has been appointed as an Independent Non-executive Director of the Company since 11 August 2015. He is also the Chairman of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee. He holds a bachelor's degree in accountancy with honours from the City University of Hong Kong. He is a fellow of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Cheung has over 20 years of experience in auditing and accounting. He was formerly an independent non-executive director of China Shandong Hi-Speed Financial Group Limited (stock code: 412) from April 2015 to May 2020 and an independent non-executive director of Oshidori International Holdings Limited (stock code: 622) from May 2015 to August 2022. The shares of these companies are listed on the Stock Exchange.

Mr. HA Kee Choy Eugene, aged 69, has been appointed as an Independent Non-executive Director of the Company since 26 November 2014. He is also the Chairman of the Audit Committee, a member of the Nomination Committee and the Remuneration Committee. He holds a master's degree in business administration and is a fellow member of the Association of Chartered Certified Accountants. He has over 30 years of experience in the finance and banking industry and acts or acted as director of a number of private and listed companies in Hong Kong. Mr. Ha is the director of a certified public accountants corporate practice in Hong Kong. He was an independent non-executive director of Esprit Holdings Limited (a company listed on the main board of the Stock Exchange, stock code: 330) from 13 December 2021 to 28 February 2025.

Mr. TO Shing Chuen, aged 75, has been appointed as an Independent Non-executive Director of the Company since 26 November 2014. He is also the Chairman of the Remuneration Committee and a member of the Audit Committee. Mr. To holds a bachelor's degree in arts and has over 20 years of experience in the fields of trading, garment and leather. He enjoys excellent relationship with PRC companies. He was an independent non-executive director of China Shandong Hi-Speed Financial Group Limited (formerly known as China Innovative Finance Group Limited) (stock code: 412) from 31 January 2002 to 14 May 2020.

Directors' Report

The Directors present their report and the audited financial statements of the Company and of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of corporate management services. The Group is principally engaged in the (i) the manufacture and sale of packaging products; (ii) investments and trading in securities and money lending, and (iii) production and sale of *Chlamydomonas reinhardtii*, micro-algae and related products. The Group was also engaged in provision of QR codes on product packaging and solutions services during the year, but this business segment has been terminated upon disposal of entire shares in Fortune Road International Limited as at 31 December 2025.

Details of the principal activities of the Company's subsidiaries are set out in note 43 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 and the state of affairs of the Company and of the Group as at 31 December 2025 are set out in the financial statements on pages 93 to 96.

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

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 189. The summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in note 32 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There is no pre-emptive rights provision in the Companies Act 1981 of Bermuda (as amended from time to time) or in the Company's Bye-laws.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including treasury shares (as defined in the Listing Rules, if any)) during the year.

BORROWINGS

Particulars of borrowings of the Group at 31 December 2025 are set out in note 29 to the consolidated financial statements.

Directors' Report

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company had no reserve available for distribution to shareholders as calculated in accordance with the Companies Act 1981 of Bermuda (as amended from time to time). The Company's share premium account in the amount of approximately HK\$1,907,658,000 may be distributed in the form of fully paid bonus share.

DIVIDEND POLICY

In considering the payment of dividends, the Board shall maintain adequate cash reserves for meeting its working capital requirements and strike a proper balance between future business growth and rewarding the Shareholders of the Company.

Provided that the daily working capital needs of the Group can be satisfied and funding has been reserved for future development, the Company intends to maintain a relatively stable dividend distribution ratio. However, the Company's dividend distribution record in the past does not necessarily imply that the same level of dividends may be declared or paid by the Company in the future.

In proposing any dividend payout, the Board shall take into account the financial performance and cash flow situation of the Group, future expansion plans and capital requirements, interests of Shareholders, contractual restrictions on payment of dividends, taxation considerations, statutory and regulatory restrictions, general economic conditions, business cycle of the Group's business and any other factors that the Board may consider relevant.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Company's Memorandum and Articles of Association.

MAJOR CUSTOMERS AND SUPPLIERS

During the year under review, sales to the Group's five largest customers accounted in the aggregate for approximately 43.5% of total revenue for the year and sales to the largest customer included therein amounted to approximately 13.1%. Purchases from the Group's five largest suppliers accounted in the aggregate for approximately 61.9% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 33.5%.

None of the Directors, their close associates or shareholders, who to the knowledge of the Directors own more than 5% of the Company's issued share capital, had any interest in any of the Group's five largest customers or suppliers.

RELATED PARTY TRANSACTION

Details to transactions between the Group and parties regarded as "Transactions and Balances with Related Parties" under applicable accounting principles are set out in note 37 to the consolidated financial statements. Save for those disclosed above, no transaction disclosed herein constitutes connected transaction or continuing connected transaction of the Company which is subject to, among other things, reporting, announcement or independent shareholders' approval requirement under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' Report

DIRECTORS

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

Executive Directors:

Mr. Wang Liang (*Chairman*)
Mr. Du Dong

Non-executive Directors:

Mr. Chen Hui
Ms. Tian Yuze
Mr. Zhang Lele
Mr. Jia Wenjie (resigned on 13 June 2025)

Independent Non-executive Directors:

Mr. Cheung Wing Ping
Mr. Ha Kee Choy Eugene
Mr. To Shing Chuen
Mr. Hu Guohua (resigned on 13 June 2025)

In accordance with Bye-law 84 of the Company's Bye-laws, Mr. Du Dong, Mr. Chen Hui and Mr. Zhang Lele will retire by rotation and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The Company has received from each of the Independent Non-executive Directors, Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen the written confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmations and considers all of them to remain independent during their term of office.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Company are set out under the section headed "Directors' Profile".

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the annual general meeting has a service contract with any company in the Group which is not terminable by such company within one year without payment of compensation (other than statutory compensation).

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

No transaction, arrangement or contract of significance in relation to the business of the Group 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 the year or at any time during the year.

REMUNERATION DETAILS

Details of the Directors' remuneration and the five highest paid employees' remuneration in the Group are set out in notes 9 and 10 to the consolidated financial statements respectively.

Directors' Report

EMPLOYEES

As of 31 December 2025, the Group had a total of approximately 296 (2024: 487) full-time and part-time employees in Hong Kong and China. The Group's employment contracts with its employees cover terms such as position, term of employment, wage, employee benefits and liabilities for breaches, and grounds for termination. Remuneration of the Group's employees includes basic salaries, allowances, pensions, performance bonus, share options and other employee benefits. Remuneration is determined with reference to the performance, skills, qualifications, experience of the employee concerned and the prevailing industry practice.

The Group remunerates its employees based on their performance, work experience and the prevailing market wage level. The total remuneration of the employees consisted of basic salary, cash bonus and share-based incentives. The emolument policy for the employees of the Group is set up by the Board on the basis of their merit, qualification and competence.

The employees in Hong Kong are enrolled in the Mandatory Provident Fund under the Hong Kong Mandatory Provident Fund Schemes Ordinance. Monthly contributions are made by the Group which are 5% of the monthly income of the employees as stipulated under the relevant requirements (if applicable), with the maximum contributions of HK\$1,500 monthly. No forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) were used to reduce the existing level of contributions and no forfeited contribution was available as at 31 December 2025 and 2024 to reduce future years' contributions.

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

Total employee costs for the year, including directors' emoluments, amounted to approximately HK\$39.9 million (2024: HK\$41.9 million).

REMUNERATION POLICY

The remuneration policy for employees of the Group is formulated based on the merit, qualifications and competence of each individual employee which are reviewed regularly in order to provide compensation packages at market rates sufficient to reward successful performance and attract, retain and motivate employees. The Company has adopted a share option scheme as a longterm incentive to eligible employees and Directors, details of which are set out in note 35 to the consolidated financial statements.

Directors' Report

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS

As at 31 December 2025, details of the interests and short positions of each of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571) (the "SFO")) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Interests in shares of the Company (long positions)

Name of directors	Capacity in which interests are held	Number of shares held	Approximate percentage
Mr. Wang Liang (Note 1)	Beneficial owner	620,300,000	22.11
Mr. Du Dong (Note 2)	Beneficial owner	3,500,000	0.12
Mr. Cheung Wing Ping (Note 2)	Beneficial owner	500,000	0.02
Mr. Ha Kee Choy Eugene (Note 2)	Beneficial owner	500,000	0.02
Mr. To Shing Chuen (Note 2)	Beneficial owner	500,000	0.02
Mr. Zhang Lele (Note 2)	Beneficial owner	3,500,000	0.12
Ms. Tian Yuze	Beneficial owner	145,805,135	5.20

Note:

1. The 620,300,000 shares included 2,800,000 share options granted to Mr. Wang Liang under the share option scheme of the Company on 30 September 2024, which will be vested on 1 January 2026. Ms. Qiao Yanfeng ("Ms. Qiao", a substantial shareholder of the Company and Mr. Wang Liang's mother) is deemed to be interested in 150,000,000 shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao). Mr. Wang Liang together with Ms. Qiao were interested in the aggregate of 767,500,000 shares, representing approximately 27.35% of the issued shares of the Company.
2. The interest held by these directors represents the share options granted to the Directors under the share option scheme of the Company on 30 September 2024, which were vested on 1 January 2026.

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) required to be recorded in the register kept by the Company under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

Directors' Report

SHARE OPTIONS

The Company adopted a new share option scheme on 13 June 2025, details of which were disclosed in the Appendix III of the circular of annual general meeting of the Company dated 13 May 2025 and are set out in note 35 to the consolidated financial statements.

As at 1 January 2025 and 31 December 2025, the number of options available for grant under the Scheme Mandate and the Service Provider Sublimit (if applicable) were as follows:

	As at 1 January 2025	As at 31 December 2025
Scheme Mandate Limit		
– Number of options available for grant	1,595,214	280,595,214
Service Provider Sublimit (if applicable)		
– Number of options available for grant	Not applicable	28,059,521

As at the date of this report, an aggregate of 138,802,500 shares, representing approximately 4.95% of the total number of issued shares as at the date of this report, may be issued upon full exercise of all vested and unvested share options granted and outstanding under the share option schemes, out of which 86,826,600 shares are immediately exercisable and issuable, representing approximately 3.09% of the total number of issued shares as at the date of this report, and 51,975,900 shares will be exercisable and issuable upon fully vested of share options, representing approximately 1.85% of the total number of issued shares as at the date of this report.

DISCLOSEABLE INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS UNDER THE SFO

As at 31 December 2025, details of the interests and short positions of every person, other than Directors or the chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of shareholders	Capacity in which interests are held	Number of shares held (long position)	Approximate percentage
Mr. Wang Liang (Note 1)	Beneficial owner	620,300,000	22.11
Ms. Qiao Yanfeng (Note 2)	Interest in controlled corporations	150,000,000	5.35
Mr. Qin Fen	Beneficial owner	197,470,000	7.04
Ms. Tian Yuze	Beneficial owner	145,805,135	5.20

Note:

1. The 620,300,000 shares included 2,800,000 share options granted to Mr. Wang Liang under the share option scheme of the Company on 30 September 2024, which were vested on 1 January 2026.
2. Ms. Qiao Yanfeng ("Ms. Qiao") is deemed to be interested in 150,000,000 shares through TY Technology Group Limited which is in turn owned as to 90% by Wise Tech Enterprises Incorporated (wholly-owned by Ms. Qiao) and 10% by Truthful Bright International Holding Limited (wholly-owned by Ms. Qiao).

Save as disclosed above, as at 31 December 2025, the Company had not been notified of any interests or short positions of any other person, other than Directors or the chief executive of the Company, in the shares or underlying shares of the Company required to be recorded in the register kept by the Company under Section 336 of the SFO.

Directors' Report

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, subject to the statutes, every Director of the Company shall be indemnified out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors.

DIRECTOR'S INTEREST IN COMPETING BUSINESS

During the year, to the best knowledge of the Directors, Mr. Jia Wenjie ("Mr. Jia"), a former Non-executive Director of the Company who has resigned on 13 June 2025 and Ms. Zeng Xiaomeng ("Ms. Zeng"), spouse of Mr. Wang Liang, an Executive Director of the Company have interests in the following business conducted through the company named below:

Name of company	Nature of interest	Description of business of the company
Biyang Information Technology (Shanghai) Co., Ltd.* 必瑩信息科技(上海)有限公司	Mr. Jia is the Chief Executive Officer of the company Mr. Jia and his family member hold 63% and 7% of the equity interest respectively Ms. Zeng holds 30% of the equity interest	Provision of information technology solutions and advertising display services

Save as disclosed above, none of the Directors or their respective close associates (as defined in the Listing Rules) had an interest, either directly or indirectly, which competed or was likely to compete with the businesses of the Group during the year.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float throughout the year ended 31 December 2025 and up to the date of this report as required under the Listing Rules.

INDEPENDENT AUDITORS

The financial statements have been audited by the Company's independent auditors, Moore CPA Limited (the "Auditors") who shall retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Wang Liang

Chairman

Hong Kong, 27 March 2026

** for identification purpose only*

Corporate Governance Report

The Company is committed to maintaining a high standard of corporate governance. The Board considers that sound corporate management and governance practices are essential to the Company's healthy growth under all business environments.

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2025 and up to the date of this annual report, the Company complied with all the code provisions, where applicable, as set out in the Corporate Governance Code (the "CG Code") in Appendix C1 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), except the deviation below. Code provision F.2.2 of the Corporate Governance Code stipulates that the chairman of the board should attend the annual and special general meetings. Mr. Wang Liang, the Chairman of the Board, was unable to attend the annual and special general meetings of the Company held on 13 June 2025 (the "Meetings") due to other business arrangements. In his absence, Mr. Du Dong, took the chair of the Meetings. Other members of the Board, chairman of each of the Audit Committee and Remuneration Committee, as well as the external auditor, who also attended the Meetings, were of sufficient calibre for answering questions at the Meetings.

The Board will continue to review and monitor the practices of the Company with an aim to maintain and improve its high of corporate governance practices.

CORPORATE CULTURE AND STRATEGY

By recognising the importance of stakeholders at the Board level and throughout the Group, we strive to create values to the stakeholders through sustainable growth and continuous development.

The Group has set out the purpose, values and strategies to provide guidance on employees' conduct and behaviours as well as the business activities. Details show in the "Chairman's Statement".

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

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. In response to a specific enquiry by the Company, all Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

BOARD OF DIRECTORS

During the year under review, the Board was chaired by Mr. Wang Liang. It consisted of two executive Directors, three non-executive Directors and three independent non-executive Directors. Names and other biographical details of the members of the Board and their updated information are set out under the section headed "Directors' Profile". The Board assumes responsibility for the leadership and control of the Company and its members are collectively responsible for promoting the business of the Company by formulating the Group's overall strategies and policies, approving the business plans, evaluating the performance of the Group in pursuit of the Group's overall strategies and overseeing the management of the Group. The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee. The management of the Group is responsible for the day-to-day operations of the Group, and implementing the business strategies and plans formulated and approved by the Board.

All Directors have acted in good faith in the best interests of the Company and the stakeholders of the Company. Other than the statutory duties imposed on each of them, all of the Directors have exercised due care in monitoring the corporate matters of the Company and have provided grave concern, sufficient time and attention to all the significant issues and affairs of the Group.

Corporate Governance Report

Each of the independent non-executive Directors has made an annual confirmation to the Company concerning his or her independence pursuant to the Listing Rules. The Company considers that all the independent non-executive Directors meet the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules and are considered to be independent.

Set out below are details of Directors' attendance of board meetings and general meetings in 2025:

Name of Directors	Board meeting	Annual General Meeting	Special General Meeting
<i>Executive Directors</i>			
Wang Liang (<i>Chairman</i>)	5/6	0/1	0/1
Du Dong	6/6	1/1	1/1
<i>Non-executive Directors</i>			
Chen Hui	1/6	1/1	1/1
Tian Yuze	6/6	1/1	1/1
Zhang Lele	4/6	1/1	1/1
Jia Wenjei (resigned on 13 June 2025)	4/5	1/1	1/1
<i>Independent Non-executive Directors</i>			
Cheung Wing Ping	6/6	1/1	1/1
Ha Kee Choy Eugene	6/6	1/1	1/1
To Shing Chuen	6/6	1/1	1/1
Hu Guohua (resigned on 13 June 2025)	5/5	1/1	1/1

Save for regular Board meetings held during the year ended 31 December 2025, meetings of the Directors were held to discuss and transact other special businesses. The Board members are provided with appropriate and sufficient information in a timely manner to keep abreast of the Group's latest developments. All businesses transacted at the Board meetings are properly documented and recorded.

The Company provides Directors with regular updates on changes to and developments of the Group's business, and on the latest developments in the laws, rules and regulations relating to Directors' duties and responsibilities to help them make informed decisions and discharge their duties and responsibilities as Directors of the Company.

Mr. Wang Liang is the son of Ms. Qiao Yanfeng, the substantial shareholder of the Company. Ms. Qiao is deemed to be interested in 150,000,000 shares of the Company. Save as disclosed herein, there is no relationship (including financial, business, family or other material/relevant relationships) between members of the Board.

Corporate Governance Report

As at 31 December 2025, each of the Directors, namely Mr. Wang Liang, Mr. Du Dong, Mr. Chen Hui, Ms. Tian Yuze, Mr. Zhang Lele, Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen had complied with code provision C.1.4 of the CG Code and has participated in continuous professional development to develop and refresh their knowledge and skills for the year as detailed in the following table. The Company is responsible for arranging and funding suitable training, placing and appropriate emphasis on the roles, functions and duties of a listed company director. All Directors have been required to provide the Company with their training records. The Company has received from the Directors the confirmations on taking continuous professional training course during the year.

Directors' training hours by topic during the Year:

Directors	The roles, functions and responsibilities of the board, its committees and its directors, and board effectiveness	Issuers' obligations and directors' duties under Hong Kong law and the Listing Rules, and key legal and regulatory developments	Corporate governance and ESG matters	Risk management and internal controls	Updates on industry-specific developments, business trends and strategies relevant to the issuer	Total no. of hours
Mr. Wang Liang	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Mr. Du Dong	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Mr. Chen Hui	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Ms. Tian Yuze	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Mr. Zhang Lele	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Mr. Cheung Wing Ping	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Mr. Ha Kee Choy Eugene	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6
Mr. To Shing Chuen	1 (Note)	1 (Note)	2 (Note)	1 (Note)	1 (Note)	6

Note: represents the training hours undertaken through self-study, such as reading training materials or watching training videos.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are separate and not performed by the same individual to avoid power being concentrated with any one individual. The main responsibility of the Chairman is to lead the Board and manage its work to ensure that it effectively operates and fully discharges its responsibilities. The role of Chief Executive Officer has been performed collectively by all Executive Directors. The Board considers this arrangement allows contributions from all Executive Directors with different expertise and is beneficial to the continuity of the Company's policies and strategies and the interest of the Shareholders of the Company as a whole.

NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors an annual written confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Board has reviewed their independence based on such confirmation and considers all of them remaining independent.

All Non-executive Directors are appointed for a specific term of not more than three years and are subject to retirement by rotation and re-election at the annual general meeting at least once every three years pursuant to the Company's Bye-laws.

Corporate Governance Report

BOARD COMMITTEES

The Board has set up the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board does not have a Corporate Governance Committee and its functions would be carried out by the Board as a whole. All committees of the Board have specific terms of reference clearly defining their respective powers and responsibilities. All committees are required by their terms of reference to report to the Board in relation to their decisions or recommendations. Through participating in the Company's board meetings and committees meetings, attending general meetings, and participating in continuous professional development, all Directors are able to make contribution required from them to the Board and to the development of the Company.

AUDIT COMMITTEE

The Audit Committee currently comprises three independent non-executive Directors, Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen, two of whom have appropriate professional qualifications, or accounting or related financial management expertise. It is chaired by Mr. Ha Kee Choy Eugene. The principal responsibilities of the Audit Committee are to review the relationship with the auditors of the Company; review the financial information of the Group and oversee the Group's financial reporting system, internal control procedures and risk management system. The major roles and functions of the Audit Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website and on the Stock Exchange's website.

The Audit Committee held 2 meetings during the year ended 31 December 2025. Details of the attendance of the committee members are as follows:

Committee Members	Attendance
Mr. Ha Kee Choy Eugene	2/2
Mr. Cheung Wing Ping	2/2
Mr. To Shing Chuen	2/2

The major work performed by the Audit Committee during the year ended 31 December 2025 included, amongst other things, the following:

- reviewing the annual results of the Group for the financial year ended 31 December 2025 with the conclusion that the preparations of such results has complied with the applicable accounting standards;
- reviewing the interim results of the Group for the six months ended 30 June 2025; and
- reviewing the effectiveness of the Group's internal control systems and procedures and risk management system.

REMUNERATION COMMITTEE

The Remuneration Committee currently comprises two executive Directors, Mr. Wang Liang and Mr. Du Dong, and three independent non-executive Directors, Mr. Cheung Wing Ping, Mr. Ha Kee Choy Eugene and Mr. To Shing Chuen. It is chaired by Mr. To Shing Chuen. The principal responsibilities of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and members of the senior management of the Company and to determine the specific remuneration packages of all executive Directors and members of the senior management of the Company. The major roles and functions of the Remuneration Committee are set out in the terms of reference which include duties specified in the CG Code and are published on the Company's website and on the Stock Exchange's website.

Corporate Governance Report

The Remuneration Policy for executive Directors of the Company is determined with reference to the Group's operating results, duties and level of responsibility of the executive Directors and the prevailing market conditions which are reviewed annually in order to provide remuneration and compensation packages which are competitive to attract, retain and motivate high quality executives to serve the Group. The fee for Non-executive Directors is determined with reference to each of their duties and level of responsibility with the Company and is reviewed on an annual basis.

During the year of 2025, the Remuneration Committee has assessed the performance of the executive Directors, reviewed and discussed, among other matters, the remuneration packages of existing Directors, the remuneration of the non-executive Directors, the existing share option scheme and the retirement benefit scheme. It has also reviewed the Remuneration Policy and its implementation. Having been delegated the responsibility, the Remuneration Committee has also determined the remuneration packages of the executive Directors of the Company.

The Remuneration Committee held one meeting during the year ended 31 December 2025. Details of the attendance of the committee members are as follows:

Committee Members	Attendance
Mr. Wang Liang	1/1
Mr. Du Dong	1/1
Mr. Ha Kee Choy Eugene	1/1
Mr. Cheung Wing Ping	1/1
Mr. To Shing Chuen	1/1

The remuneration of the Directors, being the senior management of the Company, by band for the year ended 31 December 2025 is set out below:

Remuneration band	Number of persons
Not more than HK\$1,000,000	7
HK\$1,000,001–HK\$2,000,000	2
HK\$2,000,001–HK\$3,000,000	–
HK\$3,000,001–HK\$4,000,000	1

Particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to the code provision E.1.5 of the CG Code are set out in notes 9 and 10 to the consolidated financial statements in this report, respectively.

NOMINATION COMMITTEE

The Nomination Committee currently comprises one non-executive director, Ms. Tian Yuze, and two independent non-executive Directors, Mr. Cheung Wing Ping and Mr. Ha Kee Choy Eugene. It is chaired by Mr. Cheung Wing Ping. The major roles and functions of the Nomination Committee are set out in the terms of reference which include duties specified in the CG Code and are posted on the Company's website and on the Stock Exchange's website.

The Nomination Policy for directors is formulated with reference to the skills and experience of the Board appropriate for the requirements of the Group's business. The Nomination Committee will review the Board's structure, size and composition (including its skills, knowledge and experience) and diversity. It will assess the independence of independent non-executive Directors. It will also make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, and make recommendations on the appointment or re-appointment of Directors and succession planning for directors, including the Chairman as appropriate. It is responsible for identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships.

Corporate Governance Report

The Nomination Committee held one meeting during the year ended 31 December 2025. Details of the attendance of the committee members are as follows:

Committee Members	Attendance
Mr. Wang Liang (resigned on 4 July 2025)	1/1
Mr. Du Dong (resigned on 4 July 2025)	1/1
Mr. Ha Kee Choy Eugene	1/1
Mr. Cheung Wing Ping (re-designated as chairman on 4 July 2025)	1/1
Mr. To Shing Chuen (resigned on 6 June 2025)	1/1
Ms. Tian Yuze (appointed on 6 June 2025)	0/0

THE BOARD'S DIVERSITY POLICY

The Board has adopted the Board Diversity Policy, which sets out the approach to the diversity of the Board. The Company recognises the importance of diversity to corporate governance and an effective Board. The Board Diversity Policy aims to set out the approach to achieve Board Diversity, so as to ensure that the Board members possess appropriate skills, experience and diverse views necessary for the business of the Company. In determining the Board composition, the Board and Nomination Committee consider a range of diversity elements, including but not limited to gender, age, cultural and educational background, professional, experience, skills and knowledge. All appointments of the Board will be made based on merit and objective criteria while taking into full account the interest of the Board's diversity.

The selection of candidates will be based on a range of diversity elements and measurable objectives which will be reviewed regularly. Such measurable objectives shall include, but be not limited to, gender, age, cultural and educational background, professional experience, skills, knowledge and/or terms of service. The final decision will be made according to the strengths of the candidate and his/her contribution that would bring to the Board. Furthermore, pursuant to code provision B.1.3 of the CG Code, the Board should review the implementation and effectiveness of the issue's policy on board diversity on an annual basis. The Nomination Committee has performed the above duties in terms of selection of candidates and review and implementation and effectiveness of the Company's diversity policy during the year. Having considered that the current Board is sufficiently diversified in terms of its skill, experience, knowledge, length of service and independence.

As at the date of this report, the Board comprises one female Director out of eight. The Board is contemplating to appoint more female directors by 31 December 2026. The Nomination Committee will proactively consider the increase in the proportion of female members when selecting and making recommendations on suitable candidates for Board membership. Through the Board Diversity Policy of the Company and the annual assessment by Nomination Committee on the Board structure, the Company could develop a pipeline of potential successors to the Board to achieve gender diversity.

The Company is committed to promoting gender diversity not only within the Board but among its workforce generally. As at the date of this report, the number of female employees of the Group accounted for 63.9% of the total workforce. The Board is of the view that the Group has achieved gender diversity among employees. The Group's recruitment strategy is underpinned by the appointment of the right employee for the right position, in order to achieve employee diversity for all employees (including the senior management) in terms of gender, age, cultural and educational background, expertise, skills and know-how.

Corporate Governance Report

INDEPENDENT VIEWS

The Company has maintained various measures and mechanisms to ensure that independent views and input are available to the Board. For instance, in compliance with code provision C.5.6 and C.5.9 of Appendix C1 of the Listing Rules, the Board and its committees are provided with adequate information and have separate and independent access to the senior management of the Company for purpose of making informed decisions. In particular, all members of the Board are entitled to have timely access to the information of the Group (including but not limited to management accounts, operational results and statistics, audit results and other relevant industry and market information and forecasts), as well as assistance of the Company Secretary and professional advice if necessary at the expense of the Company. Besides, the Audit Committee of the Company is also entitled to contact, and has discussed with, external auditors of the Company on an annual basis to discharge its duties. Board members are also encouraged to seek inputs from other members, employees, other stakeholders as well as investors (via the investor relations channels) in appropriate circumstances to ensure that difference perspectives are taken into account in the decision making process.

The implementation and effectiveness of the relevant measures and mechanisms are reviewed by the Board on an annual basis. The Board is satisfied that there are effective and sufficient formal or informal channels in place to ensure that independent views and input are reached at the Board level.

DIRECTORS' AND SENIOR MANAGEMENT'S LIABILITY INSURANCE AND INDEMNITY

The Company has arranged appropriate liability insurance to indemnify the Directors and senior management of the Company for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

CORPORATE GOVERNANCE FUNCTION

The Board does not have a Corporate Governance Committee. The functions that would be carried out by a Corporate Governance Committee are performed by the Board as a whole and are as follows:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of directors and senior management;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

The Corporate Governance Policy is formulated with an emphasis on the Board's quality, effective internal control, stringent disclosure practices and transparency and accountability to all shareholders of the Company. The Board strives to comply with the code provisions and reviews its Corporate Governance Policy regularly in order to maintain high standards of business ethics and corporate governance, and to ensure the full compliance of our operations with applicable laws and regulations.

During the year, members of the Board have reviewed and discussed, among other things, the Company's policies and practices on corporate governance at board meetings. They have also reviewed and monitored the training and continuous professional development of directors, and the Company's policies and practices on compliance with legal and regulatory requirements as well as its disclosure in the Corporate Governance Report. The Board has reviewed the code of conduct applicable to employees and directors setting out the standards of behaviour that the Company expects from them and the guidelines on how they should handle different situations in business dealings with the Group.

Corporate Governance Report

INDEPENDENT AUDITORS' REMUNERATION

During the year under review, the remuneration paid/payable to the Company's independent auditors, Moore CPA Limited amounted to a total of approximately HK\$1.72 million, of which approximately HK\$1.4 million was for audit services and approximately HK\$0.32 million was for non-audit services including tax and consultancy services.

COMPANY SECRETARY

On 1 November 2022, Ms. Li On Lok ("Ms. Li"), an external services provider, has been appointed as the Company Secretary of the Company. Her primary contact person at the Company is Mr. Du Dong, the executive Director of the Company. She also serves as the secretary of the Audit Committee, the Nomination Committee and the Remuneration Committee. Ms. Li has fulfilled the requirements under rule 3.28 of the Listing Rules. Ms. Li undertook over 15 hours of relevant professional training to update her skills and knowledge during the year.

All members of the Board have access to the advice and services of the Company Secretary. The appointment and removal of the Company Secretary are subject to the Board's approval.

SHAREHOLDERS' RIGHTS

The following is a brief summary of certain rights of shareholders, which are subject to applicable laws and regulations, including without limitation, the Companies Act 1981 of Bermuda (as amended from time to time), the Listing Rules and the Company's By-laws.

1. Convening special general meeting

Members of the Company may, by a written requisition, require the directors of the Company to convene a special general meeting ("SGM") for the transaction of any business specified in such requisition. A valid requisition may be made by a member or members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company which at that date carries voting rights at general meetings of the Company. The requisition must state the purpose(s) of the requisitioned SGM, and must be signed by the requisitioner(s). The requisition may consist of several documents in like form each signed by one or more requisitionists, which must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at 12/F, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary.

If the Directors fail to proceed to convene an SGM within 21 days from the date of deposit of the requisition, the requisitioner(s) (or any of them representing more than one-half of their total voting rights) may himself/themselves convene an SGM, which must be held within 3 months of the date of deposit of the requisition. The SGM must be convened by the requisitioner(s) in the same manner as nearly as possible as that in which the SGM would be convened by the Directors. The requisitioner(s) is/are entitled to be repaid any reasonable expenses he/they incur(s) as a result of the failure of the Directors to duly convene a SGM. These expenses will be payable by the Company and any sum so repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration to such defaulting Directors in respect of their services.

2. Putting forward proposals at shareholders' meetings

Members of the Company may by a written requisition at their expense (unless the Company otherwise resolves) require the Company to:

- (a) give to members of the Company entitled to receive notice of the next annual general meeting notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting of the Company; and/or

Corporate Governance Report

- (b) circulate to members of the Company entitled to receive notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that general meeting.

A valid requisition may be made by either:

- (a) any number of members of the Company representing not less than one-twentieth of the total voting rights of all the members having at the date of the requisition the right to vote at the meeting to which the requisition relates; or
- (b) not less than 100 members of the Company.

The requisition signed by the requisitionists (or two or more copies which between them bear the signatures of all the requisitionists) must be deposited at the Company's registered office in Bermuda at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. To ensure that it is received by the Company at the earliest opportunity, a copy of the signed requisition may also be deposited at the Company's principal place of business in Hong Kong at 12/F, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary,

- (a) in the case of a requisition requiring notice of a resolution to be moved at an annual general meeting, not less than 6 weeks before the annual general meeting; and
- (b) in the case of any other requisition, not less than one week before the general meeting.

The requisitionists must deposit or tender with the requisition a sum which is reasonably sufficient to meet the Company's expenses in giving effect to the requisition.

3. Proposing a person for election as Director

Shareholders may propose a person for election as Director, the procedures for which are available on the Company's website in the section of "Corporate Governance" under the column of "Investor Relationship".

4. Sending enquiries to the Board

Shareholders may send any enquiries to the Board by mail, email or telephone to the Company Secretary, whose contact details are as follows:

Address: 12/F, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong
Email: ir@touyunbiotech.com.hk
Telephone: +852 2270 7200

The Board reviewed the implementations and effectiveness of the shareholders communication policy during the year. After review, the Board considered that the shareholders communication policy remained effective and was properly implemented given the multiple channels of communication in place during the year.

Corporate Governance Report

INVESTOR RELATIONS

The Company has adopted a Shareholders Communication Policy. The use and effectiveness of such policy are monitored and reviewed regularly by the Board. The Company recognises the importance of shareholders' privacy and therefore will not disclose shareholders' information without their consent, unless required by law to do so. To achieve equal access to information on the Company's latest major developments, measures have been taken to ensure all necessary information and appropriate updates are made available to investors in a timely manner through the Company's website in the sub-section headed "Corporate Governance" under the section headed "Investor Relationship". In addition to financial reports, all announcements and circulars of the Company including results announcements, notices of general meetings and associated explanatory documents released by the Company to the Stock Exchange are posted on the Company's website. Shareholders should direct their questions about their shareholdings to the Company's share registrars. For enquiries about the information of the Company, shareholders may contact the Company Secretary, whose contact details are set out under the section headed "Sending enquiries to the Board" above. Shareholders are encouraged to participate in the Company's general meetings where members of the Board will be available to answer their questions.

The Company's constitutional documents are made available on the Company's website in the sub-section headed "Corporate Governance" under the section headed "Investor Relationship" and on the Stock Exchange's website. There was no significant change in them during the year under review.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives and maintaining appropriate and effective risk management and internal control systems. The Company maintains an internal audit function which forms part of the permanent establishment of the Group and is internally resourced and staffed by qualified accounting personnel with suitable experience.

The internal audit function monitors the adequacy and effectiveness of the risk management and internal control systems established within the Company and its subsidiaries for safeguarding assets against unauthorized use, for maintaining proper accounting records, and for ensuring the reliability of financial information. Functional reporting and financial reporting procedures appropriate to the business of the Company's subsidiaries are established for application within the Group. These procedures are designed to enable timely and reliable functional and financial reporting by subsidiaries of the Group and to provide reasonable assurance against material misstatement, errors, losses or fraud. The work of the internal audit function is generally focused on identifying, monitoring and reporting on major risks faced by the Group, including those related to business operations, compliance with laws and regulations and financial reporting. The review of risk management and internal control systems is conducted on an ongoing basis by the internal audit function. The Board is responsible for ensuring that recommendations made by the internal audit function are properly implemented.

The Board recognizes that the Group's internal control system plays a key role in both the management of risks and the assurance of continued compliance with laws and regulations by the Group. The Audit Committee has kept under review the Group's risk management and internal control systems. During the year, the Company has also engaged a professional party to conduct a review of internal controls of the business cycles of its packaging products business and *Chlamydomonas reinhardtii*, micro-algae and related products business. The review covers material controls, including financial, inventory and production and cost controls and risk management functions of the Group. No material internal control defect was noted in the review. Based on its review, the Audit Committee will advise the Board on the adequacy of the Group's risk management and internal control systems, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function.

The Board considers that the Group has complied with the provisions on risk management and internal controls as stipulated in the CG Code. The Board is satisfied that the Group's risk management and internal control systems including financial, operational and compliance controls and risk management functions as appropriate to the Group have been put in place.

Corporate Governance Report

RISKS AND UNCERTAINTIES

The Group is generally operating in an ever-changing business and economic environment. Packaging products manufacturing business and *Chlamydomonas reinhardtii*, micro-algae and related products business are affected by consumer markets which are volatile and fragile, combined with rising labour costs in the PRC. Volatility in the securities market may also affect the Company's shares investments, resulting in unrealised and realised loss. Market risk for changes in interest rates will affect loans receivable and interest-bearing borrowing. In addition to market risks, the Company is also subject to foreign currency risk, credit risk, liquidity risk and capital risk in the normal course of the Group's business. Particulars of financial risk management of the Company are set out in note 41 to the consolidated financial statements.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group continues to commit to comply with the relevant laws and regulations such as the Companies Act 1981 of Bermuda, Hong Kong Companies Ordinance (Cap. 622), Listing Rules, and laws and regulations implemented by relevant jurisdictions. The Company believes that the existing laws and regulations did not have any significant effect on the Group's activities during the year ended 31 December 2025.

ENVIRONMENTAL POLICIES

The Group has developed environmental policies for operating safely and reducing our environmental footprint. Ongoing focus on the health, safety and wellbeing of its employees is the Group's commitment to sustainable future. The Group has fully supported employees who observe the environmental policies and take care of environment.

The Group constantly strives to improve the awareness of employees with respect of energy saving, and reducing resources consumption and recycling of scrap materials. To reduce electricity consumption, lighting equipment has been replaced with energy efficient alternatives and is switched off when not in use. Staff are reminded that documents should not be printed unless necessary; printed papers are reused and two-sided printing is encouraged. Scrap materials are recycled during production. Sewage collection and treatment has been established in the factory to control water pollution.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Group recognizes that its employees, customers and business associates are key elements for its commitment to a resilient and sustainable business. The Group endeavours to provide a safe workplace, where employees are treated with respect and have the potential to grow in their careers. The Group also endeavours to provide and promptly deliver a wide range of consistently high quality products and services to customers. With the building of partnership atmosphere, the Group has developed long-term relationships of loyalty and trust with suppliers and professional bodies, leading to improved products, as well as working together with them to share best practices.

INSIDE INFORMATION

The Company has adopted a Disclosure of Inside Information Policy. It sets out a framework for the release and control of inside information to ensure that the Company is able to meet its legal and regulatory obligations and requirements as a listed corporation. The Board is generally responsible for ensuring that the Group complies with its disclosure obligations regarding inside information and has established a disclosure group comprising certain Directors and members of management to assist it in determining whether any particular information is inside information and overseeing and coordinating disclosure of inside information of the Group. Inside information should be disclosed by way of an announcement in accordance with the requirements of the SFO and the Listing Rules. Before relevant information is fully disclosed to the public, the disclosure group helps the Board to ensure that such information is kept strictly confidential.

Corporate Governance Report

WHISTLEBLOWING AND ANTI-CORRUPTION POLICY

The Company takes a zero-tolerance attitude toward corruption, implements anti-corruption policies that apply to all staff, and rewards the whistleblowers.

The Company formulated a series of rules and measures, including such as the Code of Conduct for purpose of strictly prohibiting any offering, accepting or claiming bribery, gifts, hospitality and any other form of activity intended to affect the Company's relevant business decision for abnormal or inappropriate advantages.

The Company also opened special channels for honesty issues reporting (including via telephone, email and WeChat official account) to encourage whistleblowers to perform the honesty supervision system of the Company, and actively report cases of embezzlement, corruption and other violations of laws, regulations and the rules and measures of the Company. These whistleblowing and anti-corruption policies are reviewed on an annual basis.

For further details, please refer to the section headed "Anti-Corruption and Whistleblowing Policy" in the Environmental, Social and Governance Report of this report.

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board acknowledges that it is responsible for the preparation of financial statements of the Group and for ensuring that such financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of financial statements of the Group. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any other material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

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 independent auditors' opinion is not modified in respect of these matters and the statement of the independent auditors of the Company, Moore CPA Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 90 to 92.

GOING CONCERN AND MITIGATION MEASURES

Disclaimer of opinion by the Auditors and the management's position

As stated in the Independent Auditor's Report (the "Independent Auditor's Report") prepared by the Auditors and included in this report, the Auditors have issued a disclaimer of opinion in relation to the consolidated financial statements of the Group for the year ended 31 December 2025 ("Audit Qualification") due to the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. For details, please refer to the sections headed "Disclaimer of Opinion" and "Basis for Disclaimer of Opinion" in the Independent Auditor's Report.

The Directors are of the opinion that subsequent to the Measures being or to be developed and implemented by the Group, the financial condition by the Group will be restored and the uncertainties relating to going concern will be properly addressed. Therefore, the Directors hold the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2025 after assessing, inter alia, the Measures that are being or to be actively taken to mitigate the liquidity pressure and improve the financial positive of the Group. As such, the Directors' opinion is that it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2025 on a going concern basis.

Corporate Governance Report

Notwithstanding the Directors' explanation to the Auditors, the Auditors were of the view that the material uncertainties were not comprehensively addressed with sufficient appropriate audit evidence to conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements. As the validity of the consolidated financial statements having been prepared on a going concern basis depends on the outcome of the Measures taken by the Directors, in the Directors' opinion, it would be difficult for the Directors to provide such evidence until the results of the measures become observable.

Audit Committee's view on the Audit Qualification

The Audit Committee has reviewed the basis for the audit issue, the management's view thereto and the Measures being or to be developed and implemented by the management to support the going concern assumptions used in the preparation of the consolidated financial statements. After assessing the Measures being or to be developed and implemented by the management to mitigate the liquidity burden, optimise the operations and improve the financial position of the Group, the Audit Committee concurs with the management's view and basis for forming such view with respect to adopting going concern assumptions in the preparation of the consolidated financial statements for the year ended 31 December 2025.

The Audit Committee had also discussed with the Auditors and understood their rationale in respect of the uncertainties relating to going concern which led to the Audit Qualification, and was of the view that the Audit Qualification would not be issued in the next financial year if the results of the mitigation measures are achieved and become observable and sufficient appropriate evidence thereto is provided, and without new negative factors that are unforeseeable as of today that may result in the Audit Qualification solely on going concern.

Mitigation measures to resolve the Audit Qualification

The Group has been taking active measures to mitigate the liquidity burden and improve the financial position with a view to resolving the audit issue (the "Measures"), details of which are summarised as follows:

1. The Group is negotiating with financial institutions with a view to obtaining new financing at reasonable cost for repayment to the existing lenders and/or additional working capital;
2. The Group will actively obtain additional new sources of financing (such as additional advances from directors of the Company) as and when needed, and maintain relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings, including those in default and with cross-default terms. The Group has been negotiating with one of its lenders (the "Lender") for the extension of loans with principal amounts of RMB60,000,000 (equivalent to HK\$66,048,000) and RMB90,000,000 (equivalent to HK\$99,072,000) which were overdue since maturity dates of 7 June 2025 and 11 December 2025 respectively. Up to the date of this report, no formal extension agreement has been reached;
3. The Group will closely communicate with Mr. Wang Liang, a director of the Company and Ms. Qiao Yanfeng, a shareholder of the Company to request for undertaking that they would not demand repayment of the amounts due to them with aggregate amounts of HK\$124,605,000 as at 31 December 2025 or extend the advances until the Group has excess cash to repay;
4. The Group is further exploring the market in Mainland China for sales of the Group's *Chlamydomonas reinhardtii* and related products to improve the liquidity, profitability and revenue of the Group, together with applying cost control measures in reducing its cost of sales, administrative expenses and capital expenditures, to increase the Group's internally generated funds and operating cash inflows in coming years continuously; and
5. The Group will also continue to seek for other alternatives to increase its working capital such as disposing of the Group's unlisted investments included in financial assets at fair value through profit or loss, if needed.

Corporate Governance Report

The directors of the Company are confident that, after the abovementioned measures progressively take effect, the financial condition of the Group will be restored and the uncertainties relating to going concern of the Group will be properly addressed. The directors of the Company therefore hold the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Impact of the Audit Qualification

Should the Group be unable to continue to operate as a going concern, adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effects of these adjustments have not been reflected in the consolidated financial statements.

Environmental, Social and Governance Report

ABOUT THIS REPORT

Introduction to the Report

This is the Environmental, Social and Governance Report (“ESG Report” or the “Report”) of Touyun Biotech Group Limited (“Touyun” or the “Company”) for the tenth consecutive year, which aims to disclose the ESG-related risks, management approaches and performance of Touyun (collectively, the “Group” or “the Group” or “we”). For details of corporate governance, please refer to page 24 of the Annual Report.

Scope of the Report

This Report focuses on disclosure of the Group’s ESG performance for the period from 1 January 2025 to 31 December 2025 (the “Reporting Period”, the “Year” or the “Current Year”). Unless otherwise stated, the contents of this Report cover the Group’s businesses that are officially in operation and are still held and managed by the Group by the year end, including the packaging products business in Zhongshan and the Chlamydomonas Reinhardtii products in Shanxi.¹

Reporting Standards

This Report is prepared in accordance with the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) set out in Appendix C2 to the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited (“SEHK”) and based on the actual situation of the Group. In addition, this Report references the “International Financial Reporting Standard No. S2—Climate-related Disclosures” (“IFRS S2”) issued by International Sustainability Standards Board (ISSB) and, to the extent applicable and practicable, discloses the Group’s arrangements and progress regarding climate-related governance, strategies, risk management, as well as metrics and targets.

The appendix of this Report provides an index to the ESG Reporting Code and IFRS S2 for the readers’ quick reference.

Reporting Principles

This Report follows the ESG Reporting Code and adheres to the reporting principles of “Materiality”, “Quantitative”, “Consistency” and “Balance” to ensure a comprehensive and accurate presentation of the Company’s ESG performance.



Materiality, Quantitative, Consistency, Balance

Focus on key issues, support analysis with data, ensure consistency in disclosures, and provide a comprehensive overview of performance.

¹ As the QR code business in Shanghai and Beijing was sold in August 2025, it is not disclosed in the Report.

Environmental, Social and Governance Report

CHAIRMAN'S STATEMENT

To our shareholders, partners and all colleagues,

In 2025, amidst an ever-changing business environment, Touyun Biotech Group Limited remained committed to the concept of prudent operation and sustainable development, continuing to advance its environmental, social, and governance initiatives. On behalf of the Board of Directors, I would like to express my sincere gratitude to all employees for their dedication, to our partners for their long-standing support, and to all stakeholders for their continued trust and interest in the Group.

During the year, the Group continued to focus on the development of its core businesses, centring on packaging products business in Zhongshan and the *Chlamydomonas Reinhardtii* products in Shanxi, while continuously improving its management systems and enhancing operational performance. In terms of product responsibility, the Group adhered to the principle of “quality first”, continuously strengthening product quality control, food safety management, and customer service standards. The Shanxi factory strictly complies with relevant food labelling standards. During the year, the Group did not recall any products for safety or health reasons, nor did it receive any significant complaints regarding its products or services, reflecting the Group’s strong commitment to product quality and customer interests.

Environmental responsibility is an indispensable mission for Touyun. In terms of environmental management, the Group continues to advance energy conservation, emissions reduction, resource management, and emission control initiatives. The packaging products business in Zhongshan has achieved the 2% electricity savings and emissions reduction target set for 2024 and new targets for the coming year have been established. The Shanxi factory continues to advance the reuse of treated wastewater and the recycling of condensate, while also recovering and reusing the RO product water with higher purity² to reduce water waste and further improve resource utilisation efficiency.

In terms of employee management and occupational health and safety, the Group continues to refine its occupational health and safety management system, strengthen occupational health training and on-site management, and place a strong emphasis on issues such as equal employment opportunities, anti-discrimination, anti-harassment, and the prevention of forced labour. During the year, the Group recorded no work-related fatalities and zero work-related injuries, reflecting the effectiveness of the Group’s ongoing efforts to advance safety management and risk prevention and control.

In terms of corporate governance, the Group aims for “high efficiency and compliance”. We continue to strengthen our integrity and compliance management, improve our anti-corruption, business ethics, and whistleblowing mechanisms, and enhance employees’ awareness of ethical conduct and compliance through training. At the same time, the Group places great emphasis on supply chain management, customer privacy protection, and intellectual property protection, and is committed to maintaining a fair, transparent, and responsible business environment.

Finally, we express our sincere appreciation to each colleague for their contributions and our partners for their trust. Touyun will always remain committed to innovation as our engine and responsibility as our foundation, so as to create long-term value for our shareholders, contribute our sustainability efforts to society, as part of our joint efforts to compose a new chapter in sustainable development!

Executive Director (Chairman)

Wang Liang

27 March 2026

² RO means Reverse Osmosis water treatment process.

Environmental, Social and Governance Report

SUSTAINABILITY GOVERNANCE

Board Statement

The Group is committed to operating in an environmentally and socially responsible manner to create long-term value.



Board of Directors

As the highest decision-making body on ESG matters, the Board is responsible for guiding and overseeing the Group's sustainable development direction. The Board shall perform its relevant responsibilities, including:

- i. to understand and keep abreast of the current status of the Company's sustainable development governance;
- ii. to supervise, review and follow up on the progress of implementation of sustainable development related objectives on a regular basis;
- iii. to make arrangements for the implementation and improvement of sustainable development issues, and to assess, prioritise and manage important ESG matters;
- iv. to oversee the risks associated with material issues;
- v. to review risks and opportunities related to sustainable development that have a potentially significant impact on the Group, so as to assess the effectiveness of the current ESG management mechanism and to make timely adjustments.



Company Secretary

The Company Secretary regularly reports to the Board on the progress of significant ESG-related matters to ensure the implementation of sustainability strategies and policies.

The Board is fully aware of its responsibility to ascertain the truthfulness of this Report. This Report presents an objective and fair view of the performance and impact of the Group in relevant respects. The Board has reviewed this Report and confirms that the contents are accurate, true and complete.

Environmental, Social and Governance Report

Materiality Assessment

The Group attaches great importance to effective communication with stakeholders. Through different channels, we listen to the voices of different stakeholders such as customers, employees, suppliers, investors and the community in order to understand the material impacts on them and actively respond to their concerns. Below is a list of stakeholders and their concerns (i.e., the prioritised material issues **in bold**), the corresponding communication channels and the corresponding actions taken by the Group during the Year.

Stakeholders	Issues of concern	Communication channels	Actions taken by the Group in 2025
Customers 	<ul style="list-style-type: none"> • Environmental Protection • Quality Assurance • Customer Satisfaction • Information Protection • Clean Operation 	<ul style="list-style-type: none"> • Customer Satisfaction Survey • Official Website • Press Releases • Regular Review on the Updates of Laws and Regulations of Environmental Protection Department 	<ul style="list-style-type: none"> • Strictly implemented food labelling standards • Continuously reviewed and complied with the latest environmental laws and regulations • Average customer satisfaction of 97.5% • No product recalls due to safety and health reasons during the Year • Continued to conduct training on anti-corruption and business ethics
Employees 	<ul style="list-style-type: none"> • Health and Safety • Training and Development • Welfare 	<ul style="list-style-type: none"> • Training • Health Check • Internal Communication 	<ul style="list-style-type: none"> • Provision of occupational development and safety training • Fair and equal treatment of every employee • Organisation of diversified employee activities
Suppliers 	<ul style="list-style-type: none"> • Procurement of Raw Materials • Integrity 	<ul style="list-style-type: none"> • Regular Examination 	<ul style="list-style-type: none"> • Required suppliers to provide environmental compliance documents and conducted annual assessments • Amendments to the “Supplier Evaluation and Control System”
Shareholders/ Investors 	<ul style="list-style-type: none"> • Company Operations • Corporate Governance • Risk Management • Intellectual Property Protection • Compliance 	<ul style="list-style-type: none"> • Annual General Meeting • Financial Report • ESG Report 	<ul style="list-style-type: none"> • Established internal policies to protect intellectual property • Conducted a qualitative assessment of climate risks and opportunities and gradually improved our related disclosures. • Continued to monitor climate risk assessments, energy conservation and emissions reduction targets, and climate-related management arrangements
Community 	<ul style="list-style-type: none"> • Community Investment 	<ul style="list-style-type: none"> • Volunteers • Caring for Community Activities • Voluntary Donation 	<ul style="list-style-type: none"> • 45 hours of volunteer activities

Environmental, Social and Governance Report

GREEN DEVELOPMENT

Environmental Management

The Group considers environmental sustainability as a priority and is committed to enhancing the environmental performance and strictly adhering to applicable environmental laws and regulations. Through adopting measures of improving energy efficiency and reducing emissions and waste, we strive to minimise our carbon footprint. The Group has developed its internal “Environmental Operation Control Procedures” to identify and control major environmental factors in its operations and production processes, while regularly monitoring air, noise, wastewater, and waste emissions.

The Group’s plant in Zhongshan has established an environmental management system and developed the “Environmental Management Manual” based on relevant requirements for management systems such as the ISO 9001:2015 and ISO 14001:2015 standards, which defines the management structure and division of responsibilities, and is subject to annual internal reviews to ensure the system’s applicability and effectiveness. The environmental management responsibilities of each department are as follows:

Duties of Environmental Management of Each Responsible Party

General Manager	<ul style="list-style-type: none"> Responsible for appointing a senior officer for environmental management who formulates, revises and reviews the environmental management policies, and convenes regular environmental, health and safety review meetings Responsible for allocating resources such as human resources, technology and financial resources to ensure efficient operation of the environmental management system Responsible for reviewing the environmental management system at least once a year to ensure the continued applicability, adequacy and effectiveness of the system
Senior Officer of Environmental Management	<ul style="list-style-type: none"> Responsible for establishing, implementing and maintaining the requirements of the Environmental Management System Responsible for reporting to the General Manager regarding the operation of the Environmental Management System for review and providing the basis for the improvement of the Environmental Management System
Human Resources Department	<ul style="list-style-type: none"> Responsible for organising all departments to identify environmental factors, as well as formulating, supervising, reviewing, adjusting and modifying the Company’s environmental management plan Responsible for determining the qualification of important environmental positions and organising training Assisting the senior officer of environmental management in conducting internal audits of the Company’s Environmental Management System and organising relevant departments to prepare management review materials
Administration Department	<ul style="list-style-type: none"> Responsible for identifying, updating and managing environmental laws, regulations, and related requirements Responsible for liaising with relevant government agencies and local environmental protection authorities to facilitate communication regarding external environmental information Responsible for managing the Company’s environmental protection tasks and organising the Company’s designated emergency response plan

Environmental, Social and Governance Report

Response to Climate Change

Global climate change is posing unprecedented challenges to various industries. As an enterprise actively responding to the national “carbon peak and carbon neutrality” (hereinafter referred to as “dual carbon”) goals, the Group pays close attention to the potential impacts that climate change may have on its operations and value chain. This section is prepared in accordance with IFRS S2 and the requirements of Part D “Climate-related Disclosures” of the SEHK ESG Reporting Code. It discloses the Group’s progress on climate-related initiatives across four core areas — “Governance, Strategy, Risk Management, and Metrics and Targets” — and outlines our ongoing efforts to refine relevant management measures.

Governance

The Group has integrated climate-related issues into its sustainability governance framework, with the Board responsible for guiding and overseeing the overall direction of climate governance and related risk management. Management and relevant functional departments are responsible for driving the implementation of climate-related initiatives, including identifying and assessing climate risks and opportunities, formulating and executing response measures, and reporting regularly to the Board on related progress. For details, please refer to the section headed “Sustainability Governance — Board Statement”.

The Group recognises the need to ensure that the relevant governance bodies possess the appropriate professional skills and capabilities to effectively oversee the Group’s strategies and implementation progress regarding climate-related risks and opportunities. The Group will continue to strengthen its climate-related capabilities and, where appropriate, seek external professional advice and support. In addition, the Group is currently evaluating and researching the future gradual incorporation of quantifiable climate and ESG-related performance indicators into its compensation and incentive arrangements.

Strategy

Climate change presents multiple challenges to the Group’s business, mainly including both physical and transition risks. Physical risks encompass an increase in the frequency and intensity of extreme weather events such as typhoons, heavy rains, floods, and extreme heat, as well as chronic risks like rising sea levels. The related impact may result in asset damage, adverse effects on employee health and safety, and higher operation and maintenance costs. The Group proactively identifies and evaluates potential risks associated with climate change, capitalises on related opportunities, and timely formulates and implements response measures to enhance business resilience.

Environmental, Social and Governance Report

Methods for Assessing Climate Risks and Opportunities

Scope of Analysis

Consistent with the scope of the ESG Report for the Reporting Period.

Scope of Duration

Short-term	2025-2030
Medium term	2030-2050
Long-term	2050-2060
Reasons	This is primarily based on the national “dual carbon” goals, the global temperature control targets set forth in the Paris Agreement, and the relevant roadmaps and milestones outlined in Hong Kong’s Climate Action Plan 2050.

Evaluation Method

The Group employs a qualitative climate assessment methodology, using “expected timeframe” and “potential impact” as the primary criteria for evaluating climate-related risks and opportunities.

Low	Lower risk	The likelihood of this risk materialising within the “expected timeframe” is low, and its “potential impact” on the Group is limited.
Medium	Medium risk	The likelihood of this risk materialising within the “expected timeframe” is moderate, and it poses a moderate “potential impact” on the Group.
High	Higher risk	The likelihood of this risk materialising within the “expected timeframe” is higher, and it poses a more significant “potential impact” on the Group.

Environmental, Social and Governance Report

Potential Impacts

Risk Type	Risk Category	Impact on the Value Chain/ Business Model	Potential Financial Impacts	Mitigation Strategies
Physical risks				
Acute risks	Rising frequency of extreme weather events (e.g. hurricanes, floods, etc.)	<ul style="list-style-type: none"> Supply/logistics disruptions, delivery delays 	<ul style="list-style-type: none"> Reduced revenue: Disruptions to production lines and office operations (such as water and power outages), affecting product delivery Increased operating costs: Damage to production lines and office facilities leading to increased maintenance costs and insurance costs 	<ul style="list-style-type: none"> Taking climate change into account in the location selection and design of new projects and facilities Incorporating climate change and extreme weather events into its corporate risk management processes and business continuity plans
	Chronic risks	Rising average temperatures	<ul style="list-style-type: none"> Changes in production conditions have affected energy consumption and scheduling 	<ul style="list-style-type: none"> Increased operating costs: Higher expenses for cooling systems as well as health and safety measures Reduced productivity: In high-temperature conditions, employees may suffer from heatstroke or similar conditions, which can affect their work efficiency
Rising sea levels		<ul style="list-style-type: none"> Coastal facilities are increasingly vulnerable; adjustments to warehousing and transportation are needed 	<ul style="list-style-type: none"> Decrease in fixed assets: Damage to buildings and land in coastal areas Increased expenses: Repair of damaged buildings and land 	

Environmental, Social and Governance Report

Risk Type	Risk Category	Impact on the Value Chain/ Business Model	Potential Financial Impacts	Mitigation Strategies
Transition risk				
Policy and regulatory risks	Mandatory climate disclosure requirements	<ul style="list-style-type: none"> Enhanced data governance and vendor data requirements 	<ul style="list-style-type: none"> Increased compliance costs: Stricter information disclosure requirements leading to higher compliance and audit expenses Increased legal expenses: Increased risk of claims or legal proceedings due to non-compliance 	<ul style="list-style-type: none"> Reporting climate-related risks and opportunities following established framework guidelines to ensure compliance with regulatory requirements and reduce compliance costs Incorporating climate change considerations in its procurement processes and encouraging the use of low or zero-carbon and energy efficient products and materials Encouraging its employees, suppliers and customers to minimise carbon emissions in their daily business activities Ensuring that effective information and resources are available to enable monitoring and regular review of the impact of climate change on employees and business operations, meeting regulatory and market expectations In accordance with scientific and industry standards, and in line with its long-term commitment, the Company has set near- and medium-term goals to reduce carbon emissions Strengthening communication with stakeholders to ensure climate response strategies align with market demands and societal expectations
	Tighter carbon emission regulations	<ul style="list-style-type: none"> Manufacturing processes and procurement must become more low-carbon, and supplier selection criteria are becoming stricter 	<ul style="list-style-type: none"> Increased emission reduction costs: Stricter carbon emission control standards require enterprises to invest more resources to comply with the regulations 	
Technological risks	Low-carbon technology transition	<ul style="list-style-type: none"> Equipment and process upgrades affect the pace of production line implementation 	<ul style="list-style-type: none"> Increased costs: Higher investment in research and development for green technologies and products 	
	Changing customer preferences	<ul style="list-style-type: none"> Product portfolios are shifting toward low-carbon solutions, and customer expectations are rising 	<ul style="list-style-type: none"> Reduced revenue: Shift in consumer preference towards environmentally friendly products and services 	
Market risks	Increasing raw material prices	<ul style="list-style-type: none"> Supply chain resilience and alternative material management are even more critical 	<ul style="list-style-type: none"> Increased production and procurement costs: Market supply and demand fluctuations driving up raw material (e.g. energy) prices 	
	Rising stakeholder expectations for environmental protection	<ul style="list-style-type: none"> Brand/ partnership entry barriers are rising, requiring greater transparency 	<ul style="list-style-type: none"> Reduced revenue: Failure to align with stakeholders' expectations for climate change response, resulting in reputational damage Increased labour costs: Higher costs for recruiting and retaining outstanding employees 	

Environmental, Social and Governance Report

Type of opportunities	Name of opportunities	Impact on the Value Chain/ Business Model	Potential Financial Impacts
Resource efficiency	Energy conservation, water conservation, and waste reduction	<ul style="list-style-type: none"> More efficient production and transportation processes, and greater stability from supply and manufacturing through to delivery 	<ul style="list-style-type: none"> Reduced operating costs: lower expenses for energy, water, and waste disposal Improved efficiency helps ensure on-time delivery and maintain revenue
Products and services	Develop and expand low-carbon goods and services	<ul style="list-style-type: none"> Product development is shifting toward low-carbon, recyclable materials Increased requirements for documentation and communication from procurement through delivery 	<ul style="list-style-type: none"> Increased revenue: Helps secure orders from clients who prioritise sustainability and enhances customer loyalty Enhanced competitiveness: Increased product value

Evaluation Results

Physical risks		Extent of impact		
		2030	2050	2060
Acute risks	Extreme weather events	Low	Low	Low
	Rising average temperatures	Low	Low	Low
Chronic risks	Rising sea levels	Low	Low	Low

Transition risk		Extent of impact		
		2030	2050	2060
Policy and regulatory risks	Stricter mandatory climate disclosure requirements	Low	Low	Low
	Tighter carbon emission regulations	Low	Low	Low
Technological risks	Low-carbon technology transition	Low	Low	Low
Market risks	Changing customer preferences	Low	Low	Low
	Increasing raw material prices	Medium	Medium	Medium
Reputational risks	Rising stakeholder expectations for environmental protection	Low	Low	Low

Environmental, Social and Governance Report

Opportunities		Expected timeframe
Resource efficiency	Energy conservation, water conservation, and waste reduction	Short term (2025-2030)
Products and services	Develop and expand low-carbon goods and services	Short term (2025-2030)

Risk Management

The Group places great importance on the impacts of climate change on its financial performance and conducts regular assessments of related risks.



Environmental, Social and Governance Report

Metrics & Targets

Energy Consumption

The energy consumed by the Group mainly includes electricity and heating consumed in office premises and plant operations, as well as fuel consumed for vehicle transportation. During the Year, the total energy consumed by the Group was 20,174.70 GJ, with an energy consumption intensity of 280.41 GJ/millionHK\$ of revenue.

Greenhouse Gas Emissions

In order to effectively monitor the implementation of emission reduction measures and promptly improve our emission reduction plan, the Group closely monitors and measures carbon emissions from operations. The Group's greenhouse gas emissions during the Year comprised direct emissions from vehicle fuel combustion (Scope 1) and indirect emissions from purchased electricity and steam (Scope 2).

During the Year, the total greenhouse gas emissions of the Group³ amounted to approximately 2,461.58 tCO₂e, including Scope 1 emissions of approximately 11.01 tCO₂e and Scope 2⁴ greenhouse gas emissions of approximately 2,450.57 tCO₂e, with an emission intensity of 34.21 tCO₂e/million HK\$ of revenue.

Energy Conservation and Emission Reduction

The Group actively responds to the national “dual carbon” policy and keeps promoting the internal energy conservation and emission reduction work. The Group's packaging business in Zhongshan attained the electricity-saving and emission reduction target of 2% established for 2024, and the Group has set targets for the new year.

Electricity-saving target

Under the same production capacity, the Company plans to reduce electricity consumption by

2%

in 2026 compared to 2025

Emission reduction target

The Company plans to reduce greenhouse gas emissions by approximately

2%

in 2026 compared to 2025

³ The Group's calculation standards and emission factors for greenhouse gas emissions are primarily based on the “How to Prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs” issued by the SEHK, the internationally recognised standard “Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard,” and the “Announcement on the Release of 2023 Carbon Dioxide Emission Factors for Electricity” issued by the Ministry of Ecology and Environment of the People's Republic of China. The Group defines its inventory boundaries based on the operational control method and calculates emissions using the formula: “Activity Data × Emission Factor × Global Warming Potential (GWP).” Activity data is primarily derived from internal records of each subsidiary and utility bills (such as electricity bills); emission factors and GWP values are based on the latest available national/regional grid emission factors and internationally recognised GWP values. There were no significant changes to the calculation methods during the Reporting Period; only the relevant factors were updated in accordance with the latest emission factors and GWP values.

⁴ Scope 2 greenhouse gas emissions are calculated using a location-based method.

Environmental, Social and Governance Report

To achieve these energy conservation and emission reduction targets, the Group strictly monitors and manages energy consumption and strives to reduce it, thereby minimising greenhouse gas emissions. During the Year, the Group's packaging business in Zhongshan has implemented the following key energy conservation measures:

Energy Conservation and Emission Reduction Measures

The Company regularly evaluates and summarises its energy conservation efforts to identify areas for improvement and strengthen management weaknesses, providing a basis for the subsequent work.

In terms of energy management, the Company sets electricity consumption quotas and heightens supervision and monitoring, strictly implements saving measures, and revises energy management policies in line with actual production and operational needs to ensure the effective implementation of the measures.

The Company actively promotes energy conservation and consumption reduction through publicity campaigns and training. It raises employee awareness of energy conservation by posting promotional slogans and special bulletin boards, promoting energy-saving policies, and organising training sessions and exchanges.

The Company is advancing technological upgrades by implementing energy-saving improvements to its lighting systems, adopting high-efficiency lighting technologies, and gradually phasing out outdated, energy-inefficient equipment to enhance energy efficiency.

Resource Management

Packaging Materials

The packaging materials used by the Group are mainly plastic bags and cardboard boxes. During the Year, the Group consumed a total of approximately 4.28 tonnes of plastic bags and 75.70 tonnes of cardboard boxes.

	Unit	2024	2025	Year-over-year change
Plastic bags	tonnes	5.02	4.28	-14.74%
Cardboard boxes	tonnes	90.95	75.70	-16.77%
Tin cans	tonnes	1.00	1.20	+20.00%
Packaging straps	tonnes	0.02	0.03	+50.00%
Tapes	tonnes	0.03	0.03	0.00%

Using 2020 as the base year, the Group has been continuously promoting the reduction of packaging materials while ensuring product quality and enhancing resource efficiency. Specific measures include reusing plastic transfer boxes, reducing paper consumption through online platforms, tracking packaging using QR code for sorting, recycling and reusing materials, and optimising designs to reduce the use of materials.

Environmental, Social and Governance Report

Water Resources Management

The Group uses water mainly for domestic and industrial purposes. During the Year, the Group consumed 19,007 tonnes of water in total, with a water consumption intensity of 264.18 tonnes/HK\$ of revenue. Zhongshan Company, a subsidiary of the Group, has set a water conservation target for 2026, aiming to achieve a 2% reduction in water consumption compared to this Year.

The Group recognises the preciousness of water resources and places great importance on water resource management, integrating the concept of water conservation into all aspects of its business operations. We have implemented multiple water saving measures, including improving the utilisation rate of recycled water, identifying projects with water-saving potential, and enhancing our employees' awareness of water conservation by promoting the principle of "Pride in Conservation, Shame in Waste".

Furthermore, the Group regulates water consumption management across departments through internal promotion and incentive mechanisms, setting water consumption quotas to minimise unnecessary water consumption and ensure the sustainable utilisation of water resources.

Emissions Management

The Group places great importance on emissions management. The Group's plants in Shanxi and Zhongshan have strengthened their management of air emissions, sewage, solid waste, and noise through the formulation of the "Environmental Protection Management Regulations" and the "Environmental Operation Control Procedures", ensuring their emissions meet national and local standards. The Group continuously conducts comprehensive monitoring of pollutant generation and adopts targeted measures for different types of pollution sources. Our plant in Zhongshan engaged a qualified third-party monitoring agency to conduct compliance assessments on wastewater, air emissions, and noise.

Sewage Treatment

The Group strictly adheres to relevant national laws, regulations and discharge permit management system, and has established a "Sewage Management Procedure" to regulate the discharge of industrial and domestic sewage, ensuring minimal environmental impact. The Group requires all departments to establish a separate rain and sewage diversion network within their premises. Initially, rainwater will enter the rainwater network, while domestic wastewater from offices and production workshops must be directed to septic tanks before 100% being discharged into the sewage network. To ensure the stable operation of the wastewater management system, the power maintenance department is responsible for managing and maintaining wastewater discharge facilities and underground rainwater drainage pipelines.

In addition, we promote clean production by reducing wastewater discharge volume and concentration while enhancing industrial wastewater treatment and reclaimed water reuse rates. For the current year, the Shanxi plant has been recycling and reusing RO product water with a higher level of purity. The *Chlamydomonas Reinhardtii* business in Shanxi successfully treated production wastewater for reclaimed water reuse in accordance with the requirements of environmental impact assessment and achieved zero wastewater discharge through condensate water recycling.

Environmental, Social and Governance Report

Shanxi Chlamydomonas Reinhardtii Project – Sewage Treatment

- Sewage Testing sewage treatment – the “collection and pre-sedimentation device + acid neutralisation adjustment + coagulation and air flotation adjustment + flocculation and sedimentation + heavy metal capture + photocatalytic reaction + micro- electrolysis reaction + electrochemical oxidation + activated adsorption + deep purification” process is used for the treatment of sewage, which then enters the sewage treatment equipment for secondary treatment to ensure compliance with discharge standards
- Fermentation tank rinsing wastewater treatment – rinsing wastewater first goes through a mechanical grid for solid-liquid separation before entering the equalization tank for adjustment of water quantity and quality. Then, the wastewater is pumped into an air flotation tank to remove suspended and colloidal particles before entering a lift tank, and then pumped into an ozone reactor for treatment with ozone before entering an ozone destruction tank. After that, the wastewater is pumped into an anaerobic device to remove most of the organic matter and suspended solids. The effluent enters the biological treatment unit to reduce ammonia nitrogen and organic pollutants, and undergoes advanced treatment—including membrane filtration and sedimentation—to further remove phosphorus and other parameters; finally, it is discharged after disinfection
- Pure water equipment and recycling water tank drainage – water is collected to be used for plant greening and road sprinkling to reduce dust, achieving resource recycling
- Domestic sewage treatment – after pre-treatment in the plant’s septic tanks, domestic sewage is discharged into the municipal sewerage pipeline and ultimately undergoes centralized treatment at the municipal sewage treatment plant

Air Emissions

The Group is committed to the strict control of air emissions, ensuring a 100% compliance rate and eliminating any non-compliant emissions. The Group’s emissions of exhaust gases primarily come from the combustion of fuel in its own vehicles. During the Year, the Group’s emissions of major air pollutants were as follows: sulfur oxides (SO_x) at 0.06 kilograms, nitrogen oxides (NO_x) at 7.98 kilograms, and particulate matter (PM) at 0.70 kilograms.

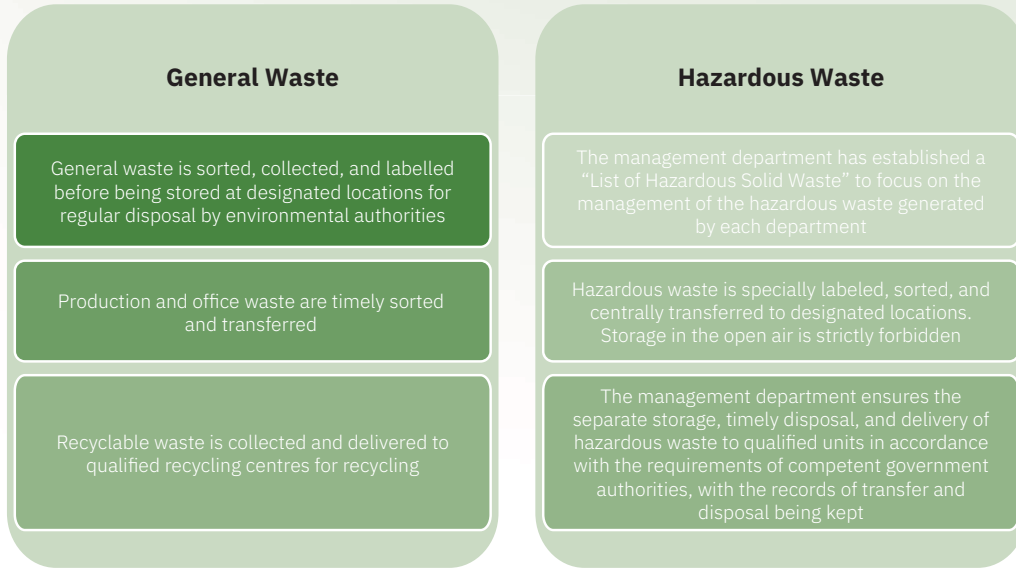
To reduce air emissions, the Group encourages employees to adopt green commuting practices, prioritising the use of public transport or bicycles whenever possible to reduce the frequency of Company vehicle usage, thereby minimising exhaust emissions.

Waste Management

The Group emphasises waste management and is committed to reducing the generation of non-hazardous waste from non-production activities and has developed a “Waste Management Plan” to ensure its compliance with national and local requirements for waste collection, storage and disposal. The Group classifies waste into general waste and hazardous waste by referencing the National Catalogue of Hazardous Wastes in light of the specific circumstances of the Company, and prioritises the recycling of reusable materials such as paper, waste PVC, and scrap iron wire. At the same time, the Group has established the “Hazardous Waste Disposal Record” to ensure comprehensive documentation and standardised management of the entire process of hazardous waste generation, temporary storage, and disposal.

Environmental, Social and Governance Report

During the Year, the Group generated a total of 0.27 tonnes of hazardous waste (including waste engine oil, waste screen printing plates, and waste saturated carbon) and 2.57 tonnes of general waste (such as scrap iron and paper scraps). The following are the management measures for these two main types of waste:



Noise Control

The Group continues to strengthen its management and control of noise generated during the operation of production equipment and facilities, and is continuously reducing its impact on the surrounding environment through measures such as equipment optimisation, operational management, and on-site controls.



Environmental, Social and Governance Report

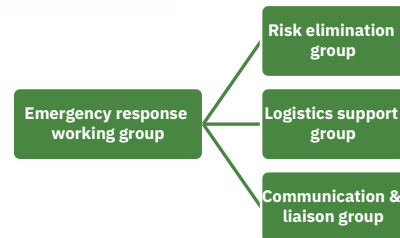
Environmental Emergency Management

In order to enhance the responding capability addressing environmental emergency events, the Group has developed emergency response procedures to identify and assess potential risks and to be prepared for emergencies, so as to mitigate the impacts of such events on operations and the environment.

General Procedures for Emergency Response



Regarding the packaging business in Zhongshan, the Group has established a series of handling procedures for environmental emergencies such as the “Environmental Emergency Management Procedures”, “Environment Emergency Plan” and “Emergency Response Plan”. During the Year, the Group’s Shanxi operations formulated the “Emergency Response Plan for Environmental Incidents.” Also, our plant in Zhongshan has set up an emergency response working group, comprising sub-groups such as the risk elimination group, logistics support group, and communication & liaison group, to provide unified direction during emergencies. The working group is responsible for formulating emergency plans, organising emergency drills and exercises on a regular basis, conducting on-site command and handling of emergencies, and making timely response recommendations.



PEOPLE-ORIENTED

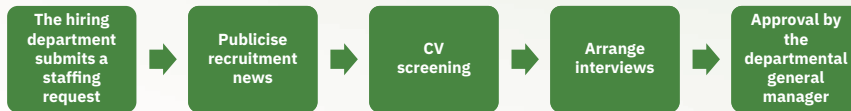
The Group strictly complies with the Law of the PRC on Work Safety, the Law of the PRC on the Prevention and Control of Occupational Diseases and other relevant laws and regulations, and has developed the “Human Resources and Administration Department Management Regulations” and “Social Responsibility Management Manual”, which establish policies governing child labour, forced labour, equal employment, anti-discrimination and harassment, and respect for human rights to regulate the following aspects:



Environmental, Social and Governance Report

Compliant Employment

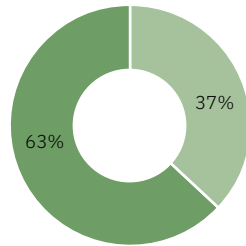
The Group conducted an internal inspection on legal employment during the Year to regulate employment practices such as recruitment, promotion and signing and termination of labour contracts, with the aim of protecting the legitimate rights of our employees. In an open recruitment approach, the Group adheres to the principle of treating all employees equally and fairly. The Group’s packaging business in Zhongshan has explicitly stipulated that during the recruitment process, there shall be no discrimination, no withholding of original identification documents, and no collection of any employment fees. The Group also strictly implements the regulations on maternity leave and lactation leave for female employees to protect their rights and interests.



Recruitment procedures

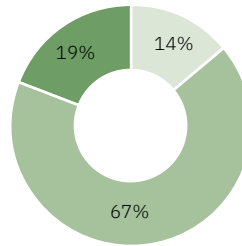
As of the end of the Year, the Group had a total of 252 employees, all of whom are from Mainland China. Please refer to the “Performance Data Summary” for details of employees.

Employee Distribution by Gender



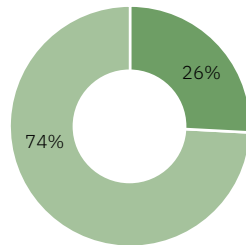
■ Male ■ Female

Employee Distribution by Age



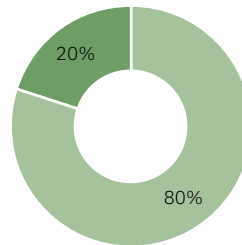
■ 30 or below ■ 31 to 50 ■ Above 50

Employee Distribution by Education Level



■ Bachelor's degree or above ■ Below bachelor's degree

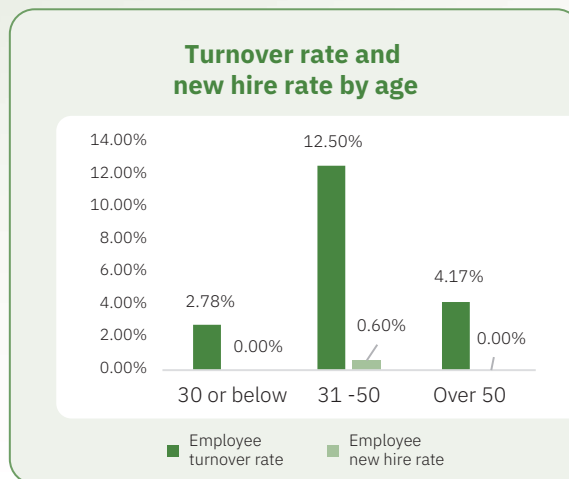
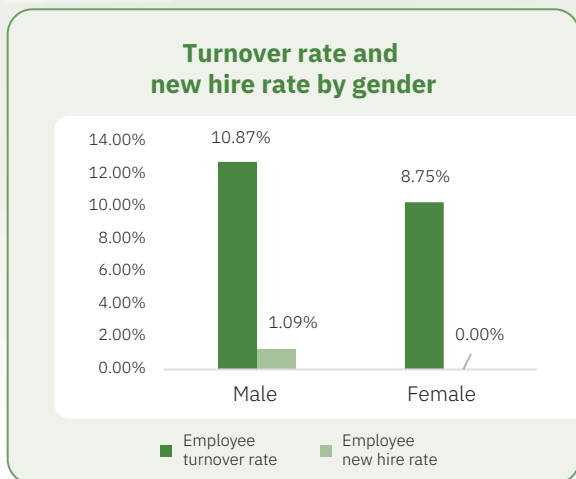
Employee Distribution by Function



■ Frontline ■ Non-frontline

Environmental, Social and Governance Report

During the Year, the total turnover rate of the Group's employees was approximately 9.52% and the total new hire rate was approximately 0.40%.



Diversity and Inclusion

The Group places great importance on the comprehensive development of its employees, and is committed to safeguarding their rights and physical and mental well-being, and strives to foster an inclusive, equitable, trusting, and harmonious work environment to promote mutual growth between the Group and its employees. The Group is committed to ensuring that no unfair treatment occurs in the processes of recruitment, promotion, compensation, training, and other employment management practices based on an employee's age, gender, marital or family status, pregnancy, disability, race, skin colour, nationality, religious beliefs, or other factors unrelated to work. The Group maintains a zero-tolerance policy toward any form of discrimination or harassment and is committed to safeguarding the legitimate rights and interests of all employees.

With regard to labour standards, the Group strictly complies with applicable labour laws and regulations and implements relevant management requirements in accordance with the "Procedures for the Prohibition of Child Labour and the Protection of Minors" and the "Management Procedures for the Elimination of Forced Labour". The Group verifies identification documents and confirms ages during the recruitment and onboarding processes, and strictly prohibits the hiring of individuals under the age of 16. For minors aged 16 to 18, the Group strictly limits their work assignments and working hours in accordance with legal and regulatory requirements, and explicitly prohibits them from engaging in hazardous, toxic, or harmful work, or heavy physical labour as defined by national regulations.

If any instances of the improper employment of child labour are discovered, the Group will immediately initiate remedial procedures, promptly suspend the child's work arrangements, and take corrective measures in accordance with laws and regulations. These measures include contacting the child's guardian and assisting the child in returning to school or securing appropriate placement, in order to safeguard the child's legal rights and the right to education.

During the Year, the packaging business in Zhongshan conducted training sessions on gender equality, zero tolerance for workplace violence, and the prohibition of discrimination, harassment, and forced labour. The training clearly defined the boundaries of acceptable behaviour and management requirements, and helped employees identify and report discrimination, harassment, forced labour, and other misconduct. Assessments were conducted through oral exams, practical exercises, and on-site Q&A sessions to ensure that the training content was effectively understood and implemented.

Environmental, Social and Governance Report

Employee Communication

The Group encourages its employees to engage in an equal dialogue with the Company regarding any issues related to the Group or their work. The packaging business in Zhongshan regularly holds employee representative meetings, inviting employee representatives from different departments and at different levels to participate. These employee representatives are elected through democratic elections and act as a bridge between the employees and management of the Group by listening to employee opinions and reporting the same to the Group on the work reports, development plans and other matters of the Company.

The current channels for communication with employees include:



Employee Complaint

If employees encounter situations at work that they suspect may be improper or in violation of regulations, they may report such incidents to the Group through established grievance and complaint channels (such as employee representatives or suggestion boxes). The Group handles and follows up on such cases through established procedures involving employee representatives and management, and addresses and responds to them within a reasonable timeframe to safeguard employees' rights and interests. During the Year, all employee grievances and complaints received by the Group were followed up on in accordance with procedures and were properly resolved.



General Procedures for Handling Employee Complaints

Environmental, Social and Governance Report

Employee Well-Being

Compensation and Benefits

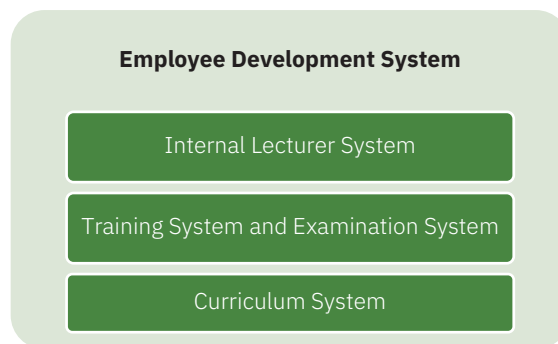
The Group is committed to establishing a competitive and fair compensation and benefits system to encourage employees to make the most of their talents, enhance job satisfaction, and foster a sense of belonging to the organisation. Employee bonuses are closely tied to the Group's operating performance, the performance of the employee's department, and individual performance. In addition to compensation, the Group also provides employees with a diverse range of benefits, including but not limited to insurance, benefit allowances, paid leave, and long-term incentive plans.

Employee Care

With a focus on employee needs and guided by our core values, the Group organises a variety of cultural and team-building activities tailored to specific requirements to foster team cohesion and cross-departmental collaboration. These initiatives are designed to address employees' needs in areas such as benefits, physical and mental well-being, and work-life balance, thereby enhancing their sense of identification, belonging, and well-being.

Employee Training and Development

The Group is committed to providing comprehensive career development support for its employees and has established a well structured employee development system to ensure employees at different career stages receive appropriate learning and development opportunities. The system encompasses a curriculum system, training system, examination system, and internal lecturer system, and is further categorised into five major classes, i.e., internship employee development system, new employee development system, on-the-job development system, internal employee training system, and external expansion training system.



The Group has developed detailed training plans and offers a diverse range of training courses to promote horizontal and vertical growth, and tap into their potential.



Environmental, Social and Governance Report

During the Year, the overall training particulars of the Group are set out as follows. For the average training hours and percentage of employees who received trainings by gender and function, please refer to **“APPENDIX – PERFORMANCE DATA SUMMARY”**.



Occupational Health and Safety

Adhering to the policy of “safety first, prevention-oriented, comprehensive governance”, the Group places the employee health and safety as a top priority. We are committed to fostering a safe and healthy working environment, strictly complying with relevant laws and regulations, and continuously optimising our safety management system to mitigate occupational safety risks and safeguard employees’ physical and mental well-being.

The Group has formulated and improved its internal regulations, including the “Occupational Hazard Prevention and Control Responsibility System”, “Occupational Hazard Notification System” and “Occupational Hazard Prevention and Control Promotion and Education Training System”. We have established an “Occupational Hazard System” and a “Production Safety Manual” with reference to the new version of the ISO 9001 standard. The “Occupational Hazard System” outlines the management requirements for occupational hazards notification, declaration, occupational health hazard prevention and control, occupational health publicity, education and training, and maintenance and repair of occupational hazard protection facilities. The “Production Safety Manual” covers the “Safety Code for All Employees”, the “Safety Education System”, the “Safety Review System”, the “Safety Production Responsibility System”, etc., along with protocols for handling casualty accidents, fire safety, hazardous materials management, and operational guidelines for forklifts and elevators.

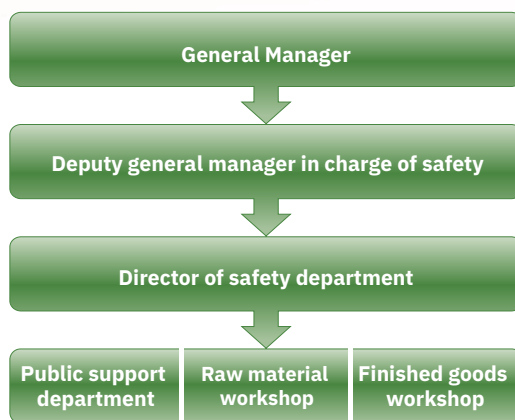
To further enhance the safety of personnel engaged in operations in confined space, the Group has formulated and implemented seven policies, including the “Emergency Management System for Operations in Confined Space”, “Safety Training and Education System for Site Managers, Guardians, Operators and Emergency Rescue Personnel of Operations in Confined Space”, “Approval System for Operations in Confined Space” and “On-site Safety Management System for Operations in Confined Space”, to standardise procedures from risk prevention to operational execution.

Environmental, Social and Governance Report

Occupational Safety and Health Governance Structure

The Group has established a health and hygiene management system for employees, and improved the basic system of occupational safety management. The organisational structure of safety management is led by the general manager, with coordinated oversight by the heads of each of the accounting department, the production office, the administrative department and the human resources department, production manager, and customs clearance director, each responsible for implementing occupational safety measures within their respective departments. Personnel engaged in special operations of the Group have obtained valid qualifications such as the Special Equipment Safety Management and Operator Certificate of the People's Republic of China, Forklift Operator Certificate and Safety Manager Certificate. During the Year, the Shanxi business has successfully completed welding and thermal cutting operations, as well as the renewal of high-voltage electrical work certifications.

The Group's *Chlamydomonas Reinhardtii* business in Shanxi has established the "Safety Organisation Setup and Personnel Allocation Management System". According to the system, a specialised safety management structure shall be set up after the project is completed and put into operation. In this structure, the general manager serves as the primary person responsible for safety, who shall appoint a deputy general manager to oversee safety work. The Group has appointed a dedicated director of the safety and environmental protection department to take charge of safety work, and in each of the four construction stages, a part-time safety officer is appointed to be responsible for safety inspections and supervision in their respective stages.



Occupational Safety and Health Management Measures

The Group has kept occupational health records and occupational health surveillance files. The Group also arranges health examination for new employees and annual physical examination for all employees, and requires them to sign the "Health Notification Statement" at the same time, to ensure they are aware of their own health conditions, thereby reducing the risk of occupational diseases or diseases caused by overexertion. During the Year, there were no cases of occupational diseases found through examinations, and there were no related occupational contraindications identified.

The Group remains committed to occupational disease prevention by conducting monthly workplace inspections to ensure the implementation of safety measures and rectifying potential hazards within a set timeframe. We engage professional technical institutions to conduct regular occupational hazard monitoring and assessments, with results made publicly available to ensure employees are informed of hazardous consequences in a timely manner. Warning signs are placed in key operational areas, and employees are provided with standard-compliant personal protective equipment, with strict enforcement of proper wear and usage through regular supervision and inspections to safeguard both employee health and work safety. In addition, the Group has implemented preventive measures and emergency response plans, enhanced on-site supervision, and provided professional training for relevant personnel, aiming to minimise safety risks in confined space operations and reduce the likelihood of personal injury and property loss.

Environmental, Social and Governance Report

During the Year, the Shanxi business focused on safety management to advance several key initiatives, including the completion of a safety assessment report on the ammonia water storage tank area and the submission of occupational hazard reports.



Occupational Health and Safety Training

The Group organises annual training sessions for key personnel and management staff responsible for occupational health to ensure that they are well-versed in the latest regulatory requirements and preventive measures, and that they pass the relevant assessments. Furthermore, to enhance the effectiveness of the training, the Group actively promotes occupational disease prevention knowledge through pre-shift meetings, notice boards, safety awareness campaigns, and special topic training sessions. We also increased efforts on promoting awareness of the Occupational Disease Prevention and Control Law and relevant laws and regulations.

During the Year, the Group organised several occupational health and safety training sessions covering topics such as chemical management, requirements for the use and storage of hazardous substances, emergency response measures for incidents such as fires and explosions, and fire emergency drill exercises. These training sessions helped raise employees’ safety awareness, enhanced their ability to identify, prevent, and respond to operational risks, and ensured that employees could correctly follow safety operating procedures and implement all protective measures.



In the future, the Group will keep adhering to the principle of “prevention-oriented, combining prevention and control”, taking effective measures to enhance employee health protection and further optimise occupational health and safety efforts.

Environmental, Social and Governance Report

Occupational health and safety performance in the last three years

	2023	2024	2025
Number of work-related injuries	0	1	0
Percentage of work-related injuries (%)	0	0.2%	0
Lost days due to work-related injuries	0	13	0
Work-related fatalities	0	0	0

RESPONSIBLE ENTERPRISE

Product Responsibility

Quality Control

The Group upholds the mission of “Quality First”, and regards product quality as the cornerstone of corporate sustainability. We continuously drive product innovation and upgrade to ensure the delivery of high-quality, stable and safe products. Our Shanxi factory strictly complies with GB7718, “General Rules for the Labelling of Pre-packaged Foods”, and GB 28050, “General Rules for Nutrition Labelling of Pre-packaged Foods”, and has obtained both the Food Safety System Certification (FSSC) 22000 and HACCP system certification.

The Group has developed the Product and Service Control Management Procedures, which clearly defines the responsibilities of departments such as Engineering and Production, in order to monitor various factors that may affect product quality throughout the production lifecycle. Our production processes adhere to regulatory requirements and sustainable development standards, guaranteeing that product quality meets the highest standards. For example, at the Shanxi factory, a HACCP plan has been established for the production of *Chlamydomonas Reinhardtii*, conducting rigorous inspections at every stage to ensure compliance with food safety management requirements throughout the entire production process:

Inspection of raw materials, auxiliary materials and packaging materials upon arrival at the factory

Inspection of intermediate products during the production process

Physical, chemical, and microbiological testing of finished products before dispatch to ensure compliance with safety standards prior to market release

In order to further improve the quality management system, the packaging business in Zhongshan has formulated and implemented the “Quality and Environmental Management Manual” to clearly define the standards and requirements for quality management. According to this manual, the General Manager is required to formulate quality management policies and objectives every year, with the objectives further broken down and assigned to each department to ensure effective implementation. In addition, the Group conducts regular sampling and monitoring to ensure compliance with quality standards. If any non-conformities are identified, a root cause analysis will be conducted, followed by continuous improvement and optimisation measures.

During the Year, the Group did not experience any product recalls due to safety or health concerns.

Environmental, Social and Governance Report

Handling of Non-conforming Products

To address non-conforming products, the Group has established internal policies such as the “Non-conforming Product Control Procedure” and the “Corrective and Preventive Action Control Procedure” to standardise the handling process for non-conforming products.

When non-conforming products are identified, the review team will intervene and take appropriate corrective actions based on the specific circumstances, such as rework, retirement, or return to suppliers. To ensure proper handling of the issues, the Legal and Internal Control Department implements measures to carry out review and issue investigation and accountability, follow up on relevant issues, and revise and improve internal policies based on the review results.



Procedures for Control of Non-conforming Products

Product Innovation

Focusing on technological and product innovation, the Group is committed to introducing industry-leading products and services, and continues to deliver more creative and forward-looking solutions. The Group continues to pioneer innovations in the field of *Chlamydomonas Reinhardtii*, developing new products such as noodles, stone cakes (石頭餅), and meal replacement powders, thereby expanding food application scenarios.

Protection of Intellectual Property

The Group places great importance on the protection of intellectual property rights and strictly complies with relevant national laws and regulations.⁵ We actively establish a secure innovation system and have established internal policies such as the “Intellectual Property Management System” and the “Source Code Management Regulations”. We will safeguard our legitimate interests according to the law against any infringement of the Group’s patents to protect technological innovation and internal research and development achievements.

⁵ For the relevant laws and regulations, please refer to the section headed “Applicable Laws and Regulations”

Environmental, Social and Governance Report

Privacy Protection

To protect our customers' privacy rights and maintain information security, the Group has established the "Customer Property Management Procedures" and the "Procedures for Protecting Customer Confidentiality and Ownership" to clearly define the responsibilities of relevant personnel in confidentiality management. Through strict management, we prevent disclosure of customer information.

Division of responsibilities for customer privacy protection



The Group strictly follows the confidentiality regulations during the handover of samples and technical data. When the engineering department receives confidential documents, they must be clearly marked with a prominent "Confidential" label and stored in isolation. In addition, when sending inspection results, employees are required to process data without connecting to the Internet to prevent information leakage. When the Shanxi factory processes online customer orders, it masks relevant information as requested by the customer and automatically generates a confidential code. Contracts and orders for offline customers are archived in the Company's records room after the transaction is completed.

Environmental, Social and Governance Report

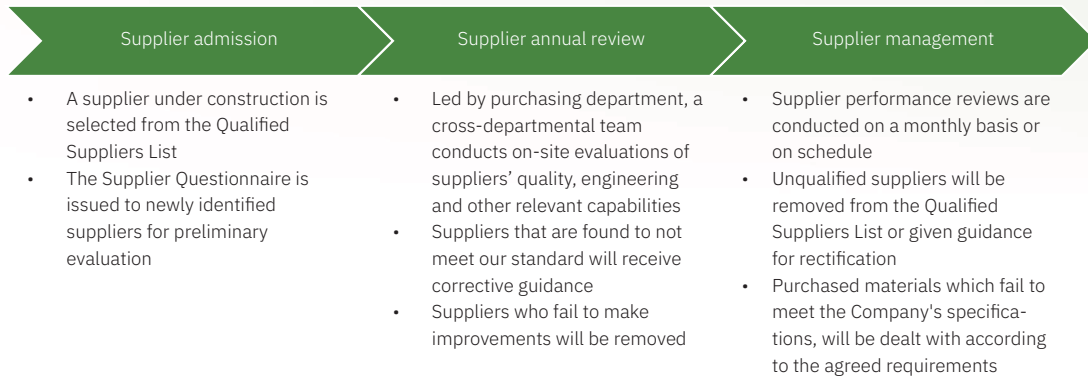
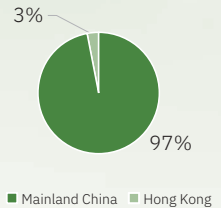
Responsible Supply Chain

Supplier Management

The Group continuously enhances its supply chain management mechanism to ensure security, stability and material quality in the supply chain. The procurement business department is responsible for managing suppliers and enhances its control capability through regular assessments and monitoring. During the Year, the Group had established business relationships with 691 suppliers located in Mainland China and 18 suppliers in Hong Kong.

To mitigate supply chain risks, the Group has developed a supplier management framework covering supplier selection, qualification certification, annual assessments and compliance monitoring to ensure that all collaborating suppliers meet the Company's requirements and minimise supply chain risks.

Distribution of Suppliers



Supplier Management Framework

In addition to the Group's unified supplier management policy, each business unit has also refined its supply chain management mechanism according to its own needs:

The packaging business in Zhongshan	Chlamydomonas Reinhardtii business in Shanxi
<ul style="list-style-type: none"> Formulate the "Supplier and Procurement Control Procedures", categorising suppliers into raw material suppliers, traders, and subcontractors while establishing a comprehensive supplier management framework. The framework covers supplier selection, annual evaluations and regular management. Conduct regular reviews of all suppliers on an annual basis. Conduct on-site evaluations and scoring of suppliers, covering quality management systems, process control, and customer complaint handling. 	<ul style="list-style-type: none"> Strictly implement the "Supplier Control Procedure" for suppliers of raw and auxiliary materials, covering qualification review, quality inspection, and warehousing. Regulate procurement workflow in accordance with the "Procurement Management System and Process". Ensure that raw materials meet national food-grade standards and packaging materials comply with pharmaceutical-grade requirements. Require suppliers to hold business licenses and production permits, and provide annual quality inspection and batch testing reports. All incoming materials undergo stringent inspections and testing, and only those meeting standards receive the "Incoming Material Release Form". Revise and implement the "Supplier Evaluation and Control System".

Environmental, Social and Governance Report

Supplier Environmental and Social Risk Management

The Group has developed the "Supplier Management Control Procedures" to conduct social responsibility assessments and third-party audits for all suppliers, ensuring their compliance with labour laws and social responsibilities standards. A regulatory mechanism has been implemented to standardise the assessment process. Should any supplier be found engaging in child labour, forced labour, or other violations, cooperation will be terminated immediately. Suppliers who have obtained SA8000 certification or passed evaluations by internationally recognised purchasers may be exempt from certain review procedures.

Social Responsibility Evaluation and Review Procedures



The Group remains committed to green development and environmental protection. Each business unit of the Group also actively identifies potential environmental and social risks, and formulates corresponding policies and procedures to promote sustainable practices among suppliers while enhancing internal sustainability management.

The packaging business in Zhongshan

It has formulated and implemented the Social Responsibility Guidelines for Suppliers, "Procurement Policies and Procedures" and "Standards for Selection of Suppliers" to define supplier requirements regarding environmental and social responsibilities. The use of child labour is strictly prohibited, and suppliers must ensure fair employment opportunities for employees of different genders, races and religions. In addition, suppliers are also required to provide relevant documents such as environmental impact reports, pollutant discharge statements and registration forms, production safety education and training records to prevent potential risk.

Chlamydomonas Reinhardtii business in Shanxi

The "Green Procurement Policy" has been updated to reduce environmental impact and minimise natural resource consumption. All procurement activities must comply with environmental regulations and standards, prioritise the purchase of green materials that are cost-effective, and encourage the use of recycled, reusable, and environmentally friendly materials to alleviate environmental burdens.

Customer Service

Customer Satisfaction

The Group is customer-focused and committed to providing high-quality products and premium services to enhance customer satisfaction. During the Year, the customer satisfaction rate for the packaging business in Zhongshan reached 95% and the customer satisfaction rate for the Chlamydomonas Reinhardtii business in Shanxi reached 100%.



Average customer satisfaction rate
97.5%

Customer Complaints

The Group requires relevant departments to maintain proactive communication with customers, and listen to their feedback and make timely adjustments. The packaging business in Zhongshan has established the "Customer Complaint Handling Process", which clearly states that the responsibilities of each department upon receiving customer complaints, including analysing causes, formulating and updating measures and implementing solutions. The Chlamydomonas Reinhardtii business in Shanxi maintains contact with customers through both online and offline channels to ensure effective communication and service delivery. During the Year, the Group did not receive any material complaints about its products or services.

Environmental, Social and Governance Report

Anti-Corruption

Anti-Corruption Policy

The Group maintains a zero-tolerance approach towards any form of corruption and bribery, consistently adhering to relevant laws and regulations while upholding integrity and legal compliance in its operations. We have developed the “Code of Conduct for Employees’ Integrity” and the “Code of Conduct for Directors and Employees”, which clearly stipulate that all employees, including directors and management, shall refrain from engaging in bribery, debt repayment on behalf of others, kickbacks, and other illegal activities.

To further strengthen internal controls, the Group has formulated the “Control Procedures on Anti-Corruption and Anti-Bribery” and the “Employee Misconduct Concern Policy”. The “Control Procedures on Anti-Corruption and Anti-Bribery” apply to internal operations as well as all business partners, including customers, suppliers, service providers, and contractors, with a particular focus on areas and key positions with high corruption risks, aiming to mitigate potential risks through enhanced supervision and management. The Group also requires key personnel in relevant positions to sign the “Anti-Bribery/Anti-Corruption Commitment” and undertake to strictly comply with its requirements.

In addition, the Group firmly opposes unfair competition and requires all employees to sign the “Letter of Commitment to Legal Compliance and Employees’ Commitment”, undertaking to adhere to fair competition principles and ensure fairness and transparency in business operations. The Group will continue to maintain a culture of integrity in business practices and collaborate with partners to promote fair competition and sustainable development.

Anti-Corruption Supervision

The management department is designated by the Group as the department responsible for supervising and managing the fulfillment of the commitment of combating commercial bribery. We attach equal stress on symptoms and root causes and keep comprehensive records of the actual situation of practising integrity. We have established a robust whistleblowing mechanism, including setting up a whistleblowing box for the prevention of commercial bribery and publicising the whistleblowing hotline to ensure unimpeded reporting channels and the effective functioning of the feedback mechanism. The management department also conducts both open and covert inspections across various departments from time to time to identify potential commercial bribery risk factors and study preventive measures.

Anti-Corruption Training

The Group regularly organises integrity training sessions aimed at strengthening our integrity culture and creating a clean and upright working environment. During the Year, the packaging business in Zhongshan conducted training on business ethics for all employees, emphasising the importance of integrity in business operations, fair competition, and ethical conduct. The training covered the prohibition of all forms of commercial bribery, kickbacks, and improper transfers of benefits; the avoidance of conflicts of interest; the protection of trade secrets; and the encouragement of employees to report violations or unethical conduct while ensuring the confidentiality of such information. Through these training sessions and assessments, the Group has further enhanced employees’ awareness of anti-corruption, anti-bribery, and compliance, and continues to strengthen a culture of integrity in business operations.

COMMUNITY INVESTMENT

The Group actively contributes to social welfare by organising and participating in various community and charitable activities. During the Year, the Group’s employees actively responded to calls for public service, contributing a total of 45 hours to volunteer activities.

Environmental, Social and Governance Report

APPENDIX

APPLICABLE LAWS AND REGULATIONS

The Group has formulated and implemented internal policies related to environmental, social and governance issues to ensure our business operations are in compliance with applicable laws and regulations. The following table sets forth the relevant laws and regulations:

Aspects	Applicable laws and regulations	Compliance status during the Year
Resources Consumption	<ul style="list-style-type: none"> Energy Conservation Law of the PRC Law of the PRC on the Promotion of Clean Production 	The Group did not identify any illegal activities or incidents related to resource consumption that had a material impact on the Group, including improper use of water resources, violations of energy usage, damage to the ecological environment regulations and other related matters.
Emissions	<ul style="list-style-type: none"> Environmental Protection Law of the PRC Law of the PRC on the Prevention and Control of Atmospheric Pollution Emission Limits of Air Pollutants Emission Limits of Water Pollutants 	The Group was not aware of any legal or regulatory issues related to the exhaust and greenhouse gas emissions, sewage into water or soil, or generation of hazardous or non-hazardous waste that had a significant impact on the Group.
Employment and Labour Standards	<ul style="list-style-type: none"> Labour Law of the PRC Labour Contract Law of the PRC Labour Protection Law Law of the PRC on the Protection of Minors Law of the PRC on the Protection of Women's Rights and Interests 	The Group has not violated any laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, anti-discrimination, prevention of child and forced labour, nor was there any material penalty imposed for noncompliance with labour-related laws.
Health and Safety	<ul style="list-style-type: none"> Law of the PRC on Work Safety Law of the PRC on the Prevention and Control of Occupational Diseases 	The Group did not identify any major incidents related to occupational health and safety management, nor did it have any cases of work-related fatalities or major production safety incidents.
Product Responsibility	<ul style="list-style-type: none"> Patent Law of the PRC Advertising Law of the PRC 	The Group was not aware of any non-compliance of health and safety, advertising, labelling and privacy matters related to products and services.
Anti-corruption	<ul style="list-style-type: none"> Criminal Law of the PRC Anti-Unfair Competition Law of the PRC 	The Group was not aware of any non-compliance with laws and regulations that would have a significant impact on the Group relating to bribery, extortion, fraud and money laundering and was not involved in any corruption cases.

Environmental, Social and Governance Report

PERFORMANCE DATA SUMMARY

		2025	2024
Environmental	Resources Consumption		
	Electricity (kWh)	1,827,424	5,654,868
	Gasoline (Litre)	4,138.00	7,063.36
	Diesel (Litre)	0.00	0.00
	Total energy intensity (Gigajoule/million HK\$ of revenue)	280.41	382.21
	Tap water (Tonne)	19,007	36,239
	Water intensity (Tonne/million HK\$ of revenue)	264.18	237.94
	Greenhouse Gas Emissions		
	Total greenhouse gas emissions (tCO ₂ e)	2,461.58	7,192.13
	Direct emissions (Scope I) (tCO ₂ e)	11.01	18.79
	Indirect emissions (Scope II) (tCO ₂ e)	2,450.57	7,173.34
	Emission intensity (tCO ₂ e/million HK\$ of revenue)	34.21	47.22
	Air Emissions		
	Nitrogen oxides (Kilogram)	7.98	10.68
	Sulfur oxides (Kilogram)	0.06	0.10
	Suspended particulate matter (Kilogram)	0.70	0.91
	Waste		
	Hazardous waste (Tonne)	0.27	0.30
	General waste (recycled) (Tonne)	1.48	2.85
	General waste (disposed) (Tonne)	1.09	0.51
	Intensity of general waste (Tonne/million HK\$ of revenue)	0.036	0.022
	Packaging Materials		
	Plastic bags (Tonne)	4.28	5.02
Cardboard boxes (Tonne)	75.70	90.95	
Tin cans (Tonne)	1.20	1.00	
Packaging straps (Tonne)	0.03	0.02	
Tapes (Tonne)	0.03	0.03	
Intensity of packaging material (Tonne/million HK\$ of revenue)	1.13	0.64	

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		2025	2024
Employees	Total Number	252	430
	Gender Distribution		
	Male	92	204
	Female	160	226
	Type of Employment Distribution		
	Full-time	252	429
	Part-time	0	1
	Function Distribution		
	Frontline	202	221
	Non-frontline	50	209
	Age distribution		
	≤30	36	111
	31-50	168	272
	> 50	48	47
	Geographical Distribution		
	Mainland China	252	430
	Others	0	0
	Turnover – By Age		
	Turnover Number		
	≤30	1	54
	31-50	21	61
	> 50	2	6
Turnover Rate			
≤30	3%	49%	
31-50	13%	22%	
> 50	4%	13%	

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		2025	2024
Employees	Turnover – By Gender		
	Turnover Number		
	Male	10	64
	Female	14	57
	Turnover Rate		
	Male	11%	31%
	Female	9%	25%
	New Hire – By Age		
	New Hires		
	≤30	0	55
	31-50	1	21
	> 50	0	1
	New Hire Rate		
	≤30	0%	50%
	31-50	1%	8%
	> 50	0%	2%
	New Hire – By Gender		
	New Hires		
	Male	1	51
	Female	0	26
New Hire Rate			
Male	1%	25%	
Female	0%	12%	

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	2025	2024	
Employees	Employee Training Performance – By Gender		
	Percentage of Employees Trained		
	Male	100%	75%
	Female	100%	72%
	Average Training Hours		
	Male	82.76	32.41
	Female	5.91	4.18
	Employee Training Performance – By Function		
	Percentage of Employees Trained		
	Frontline	100%	93%
	Non-frontline	100%	53%
	Average Training Hours		
	Frontline	39.23	30.15
	Non-frontline	12.70	4.27
	Occupational Safety and Health Training		
Total person-times of participating training courses	802	712	
Total training hours	640	672	
Occupational Safety and Health Performance			
Number of work-related accidents	0	1	
Number of work-related injuries	0	1	
Lost days due to work-related injuries	0	13	
Work-related fatalities	0	0	
Community	Public Welfare Input		
	Charitable donations (RMB ten thousand)	0.00	0.23
	Volunteer work (Hours)	45	60

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CONTENT INDEX

Content Index of ESG Reporting Code

Key Performance Indicators	ESG Reporting Code Requirements	Section/Remarks
Governance Structure		
Mandatory Disclosure	<p>A statement from the board containing the following elements:</p> <ul style="list-style-type: none"> (i) a disclosure of the board’s oversight of ESG issues; (ii) the board’s ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer’s businesses); and (iii) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer’s businesses. 	Board Statement
Reporting Principles		
Mandatory Disclosure	<p>A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report:</p> <ul style="list-style-type: none"> (a) Materiality: The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer’s stakeholder engagement. (b) Quantitative: Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. (c) Consistency: The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison. 	Reporting Principles
Reporting Boundary		
Mandatory Disclosure	<p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	Scope of the Report

Environmental, Social and Governance Report

Key Performance Indicators	ESG Reporting Code Requirements	Section/Remarks
A. ENVIRONMENTAL		
Aspect A1: Emissions	<p>General Disclosure Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air emissions, discharges into water and land, and generation of hazardous and nonhazardous waste.</p>	Green Development Appendix – Applicable Laws and Regulations
	<p>KPI A1.1 The types of emissions and respective emissions data.</p>	Green Development – Emissions Management Appendix – Performance Data Summary
	<p>KPI A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Green Development – Emissions Management Appendix – Performance Data Summary
	<p>KPI A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).</p>	Green Development – Emissions Management Appendix – Performance Data Summary
	<p>KPI A1.5 Description of emission target(s) set and steps taken to achieve them.</p>	Green Development
	<p>KPI A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.</p>	Green Development – Emissions Management

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Key Performance Indicators	ESG Reporting Code Requirements	Section/Remarks
Aspect A2: Use of Resources	General Disclosure Policies on the efficient use of resources, including energy, water and other raw materials.	Green Development Appendix – Applicable Laws and Regulations
	KPI A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in’ 000s) and intensity (e.g. per unit of production volume, per facility).	Green Development – Response to Climate Change Appendix – Performance Data Summary
	KPI A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Green Development – Resource Management Appendix – Performance Data Summary
	KPI A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Green Development – Response to Climate Change
	KPI A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Green Development – Resource Management Appendix – Applicable Laws and Regulations
	KPI A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Green Development – Resource Management Appendix – Performance Data Summary
Aspect A3: Environment and Natural Resources	General Disclosure Policies on minimising the issuer’s significant impacts on the environment and natural resources.	Green Development Appendix – Applicable Laws and Regulations
	KPI A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Green Development

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Key Performance Indicators	ESG Reporting Code Requirements	Section/Remarks
B. SOCIAL		
Aspect B1: Employment	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	People-Oriented Appendix – Applicable Laws and Regulations
	KPI B1.1 Total workforce by gender, employment type (for example, fullor part-time), age group and geographical region.	People-Oriented – Compliant Employment Appendix – Performance Data Summary
	KPI B1.2 Employee turnover rate by gender, age group and geographical region.	People-Oriented – Compliant Employment Appendix – Performance Data Summary
Aspect B2: Health and Safety	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	People-Oriented – Occupational Health and Safety Appendix – Applicable Laws and Regulations
	KPI B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	People-Oriented – Occupational Health and Safety Appendix – Performance Data Summary
	KPI B2.2 Lost days due to work injury.	People-Oriented – Occupational Health and Safety Appendix – Performance Data Summary
Aspect B3: Development and Training	KPI B2.3 Description of occupational health and safety measures adopted and how they are implemented and monitored.	People-Oriented – Occupational Health and Safety
	General Disclosure Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	People-Oriented – Employee Training and Development
	KPI B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	People-Oriented – Employee Training and Development Appendix – Performance Data Summary
KPI B3.2 The average training hours completed per employee by gender and employee category.	People-Oriented – Employee Training and Development Appendix – Performance Data Summary	

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Key Performance Indicators	ESG Reporting Code Requirements	Section/Remarks
Aspect B4: Labour Standards	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	People-Oriented Appendix – Applicable Laws and Regulations
	KPI B4.1 Description of measures to review employment practices to avoid child and forced labour.	People-Oriented
	KPI B4.2 Description of steps taken to eliminate such practices when discovered.	People-Oriented
Aspect B5: Supply Chain Management	General Disclosure Policies on managing environmental and social risks of the supply chain.	Responsible Enterprise – Responsible Supply Chain
	KPI B5.1 Number of suppliers by geographical region.	Responsible Enterprise – Responsible Supply Chain
	KPI B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Responsible Enterprise – Responsible Supply Chain
	KPI B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Responsible Enterprise – Responsible Supply Chain
	KPI B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Responsible Enterprise – Responsible Supply Chain
Aspect B6: Product Responsibility	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Responsible Enterprise – Product Responsibility Appendix – Applicable Laws and Regulations
	KPI B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Responsible Enterprise – Product Responsibility
	KPI B6.2 Number of products and service related complaints received and how they were dealt with.	Responsible Enterprise – Product Responsibility
	KPI B6.3 Description of practices relating to observing and protecting intellectual property rights.	Responsible Enterprise – Product Responsibility
	KPI B6.4 Description of quality assurance process and recall procedures.	Responsible Enterprise – Product Responsibility
	KPI B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored.	Responsible Enterprise – Product Responsibility

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Key Performance Indicators	ESG Reporting Code Requirements	Section/Remarks
Aspect B7: Anti – corruption	General Disclosure Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Responsible Enterprise – Anti-Corruption Appendix – Applicable Laws and Regulations
	KPI B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Responsible Enterprise – Anti-Corruption
	KPI B7.2 Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Responsible Enterprise – Anti-Corruption
	KPI B7.3 Description of anti-corruption training provided to directors and staff.	Responsible Enterprise – Anti-Corruption
Aspect B8: Community Investment	General Disclosure Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
	KPI B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
	KPI B8.2 Resources contributed (e.g. money or time) to the focus area.	Community Investment

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Content Index of Climate-Related Disclosures under IFRS S2

Disclosure Description	Section/Remarks
Governance	
5 The objective of climate-related financial disclosures on governance is to enable users of general purpose financial reports to understand the governance processes, controls and procedures an entity uses to monitor, manage and oversee climate-related risks and opportunities.	
6(a) the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	
(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Green Development—Response to Climate Change—Governance
(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Green Development—Response to Climate Change—Governance
(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Green Development—Response to Climate Change—Governance
(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity’s strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Green Development—Response to Climate Change The Group intends to progressively refine its climate risk assessments in the future and incorporate the results into its long-term strategy, annual operational planning, and the review process for major investment projects. In the decision-making process, the Group will comprehensively consider potential impacts such as energy costs, compliance requirements, and brand reputation, as well as the balance between risks and opportunities, in order to enhance the consistency and transparency of its decisions.
(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	Green Development—Response to Climate Change—Governance
6(b) management’s role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	Green Development—Response to Climate Change—Governance
(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Green Development—Response to Climate Change—Governance
(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	Green Development—Response to Climate Change—Governance Green Development—Response to Climate Change—Risk Management

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Disclosure Description	Section/Remarks
Strategy	
8 The objective of climate-related financial disclosures on strategy is to enable users of general purpose financial reports to understand an entity's strategy for managing climate-related risks and opportunities.	
9(a) the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraphs 10-12);	Green Development—Response to Climate Change—Strategy
9(b) the current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain (see paragraph 13);	Green Development—Response to Climate Change—Strategy
9(c) the effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan (see paragraph 14);	<p>Green Development—Response to Climate Change—Strategy</p> <p>Based on the results of our climate risk and opportunity assessment, the Group has developed corresponding response measures. We will continue to refine and improve our climate transition plan in light of progress made and actual circumstances, and will provide timely updates in subsequent reports.</p>
9(d) the effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 15-21); and	<p>Green Development—Response to Climate Change—Strategy</p> <p>The Group has conducted a qualitative analysis of the potential impact of climate-related risks and opportunities on its operations and cost structure; however, due to limitations in the maturity of its financial modelling and data, it has not yet provided comprehensive disclosure regarding the specific financial impacts over the short, medium, and long term.</p>
9(e) the climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities (see paragraph 22).	Green Development—Response to Climate Change—Strategy

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Disclosure Description	Section/Remarks
Climate-related Risks and Opportunities	
10 An entity shall disclose information that enables users of general purpose financial reports to understand the climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects. Specifically, the entity shall:	
10(a) describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Green Development—Response to Climate Change—Strategy
10(b) explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Green Development—Response to Climate Change—Strategy
10(c) specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Green Development—Response to Climate Change—Strategy
10(d) explain how the entity defines “short term”, “medium term” and “long term” and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Green Development—Response to Climate Change—Strategy
	As the application of scenario analysis continues to evolve, the Group will continue to refine the alignment between its time horizons and internal planning cycles to more effectively support strategy formulation and related decision-making.
Business Model and Value Chain	
13 An entity shall disclose information that enables users of general purpose financial reports to understand the current and anticipated effects of climate related risks and opportunities on the entity's business model and value chain. Specifically, the entity shall disclose:	
13(a) a description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	Green Development—Response to Climate Change—Strategy
13(b) a description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets).	Green Development—Response to Climate Change—Strategy

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Disclosure Description	Section/Remarks
Strategy and Decision-making	
14 An entity shall disclose information that enables users of general purpose financial reports to understand the effects of climate-related risks and opportunities on its strategy and decision-making. Specifically, the entity shall disclose:	
14(a) information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	Green Development—Response to Climate Change
(i) current and anticipated changes to the entity’s business model, including its resource allocation, to address climate-related risks and opportunities;	Green Development—Response to Climate Change
(ii) current and anticipated direct mitigation and adaptation efforts;	
(iii) current and anticipated indirect mitigation and adaptation efforts;	
(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity’s transition plan relies; and	Based on the results of our climate risk and opportunity assessment, the Group has now formulated corresponding response strategies. Moving forward, we will build upon this foundation to gradually develop and refine a more comprehensive climate transition plan, and will continue to enhance our disclosures—including the key assumptions used—as circumstances warrant.
(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33-36.	Green Development—Response to Climate Change
14(b) information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	Green Development—Response to Climate Change
14(c) quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	Green Development—Response to Climate Change

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Disclosure Description	Section/Remarks
Financial Position, Financial Performance and Cash Flows	
15 An entity shall disclose information that enables users of general purpose financial reports to understand:	
15(a) the effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	Green Development—Response to Climate Change
15(b) the anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects)	The Group currently provides qualitative information on the financial impact of climate-related risks and opportunities; however, at this stage, it has not established an analytical model capable of quantifying their impact on financial position, operating results, and cash flows. The Group is progressively enhancing its relevant skills, capabilities, and systems to support the conduct of more comprehensive climate-related financial analysis in the future. Based on currently available data and existing analysis results, the Group has not yet identified any climate-related factors that would require material adjustments to the financial statements for the next fiscal year; in the future, the Group will gradually supplement relevant quantitative disclosures as its analytical capabilities improve and data becomes more complete.
16 Specifically, an entity shall disclose quantitative and qualitative information about:	
16(a) how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	
16(b) the climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	
16(c) how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	
(i) its investment and disposal plans, including plans the entity is not contractually committed to; and	
(ii) its planned sources of funding to implement its strategy; and	
16(d) how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	

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Disclosure Description	Section/Remarks
<p>Climate Resilience</p>	
<p>22 An entity shall disclose information that enables users of general purpose financial reports to understand the resilience of the entity's strategy and business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities. The entity shall use climate-related scenario analysis to assess its climate resilience using an approach that is commensurate with the entity's circumstances. In providing quantitative information, the entity may disclose a single amount or a range. Specifically, the entity shall disclose:</p>	
<p>22(a) the entity's assessment of its climate resilience as at the reporting date, which shall enable users of general purpose financial reports to understand:</p>	
<p>(i) the implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;</p>	
<p>(ii) the significant areas of uncertainty considered in the entity's assessment of its climate resilience;</p>	
<p>(iii) the entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:</p> <ol style="list-style-type: none"> (1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities; (2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and (3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and 	<p>The Group has not yet formally initiated climate scenario analysis. At this stage, it primarily identifies and assesses climate-related risks and opportunities through qualitative methods, while continuously improving its governance framework and the infrastructure for data collection and analysis. Going forward, the Group will, based on actual conditions, gradually implement climate scenario analysis commensurate with its business operations and risk profile to further assess its climate resilience.</p>
<p>22(b) how and when the climate-related scenario analysis was carried out, including:</p>	
<p>(i) information about the inputs the entity used, including:</p> <ol style="list-style-type: none"> (1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios; (2) whether the analysis included a diverse range of climate-related scenarios; (3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks; (4) whether the entity used, among its scenarios, a climate related scenario aligned with the latest international agreement on climate change; (5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties; (6) the time horizons the entity used in the analysis; and (7) what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis); 	

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Disclosure Description	Section/Remarks
<p>(ii) the key assumptions the entity made in the analysis, including assumptions about:</p> <ol style="list-style-type: none"> (1) climate-related policies in the jurisdictions in which the entity operates; (2) macroeconomic trends; (3) national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources); (4) energy usage and mix; and (5) developments in technology; and <p>(iii) the reporting period in which the climate-related scenario analysis was carried out.</p>	
<p>Risk Management</p> <p>24 The objective of climate-related financial disclosures on risk management is to enable users of general purpose financial reports to understand an entity's processes to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process.</p>	
<p>25 To achieve this objective, an entity shall disclose information about:</p>	<p>Green Development—Response to Climate Change—Risk Management</p>
<p>25(a) the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p>	<p>The Group has not yet formally initiated climate scenario analysis. At this stage, it primarily identifies and assesses climate-related risks and opportunities through qualitative methods, while continuously improving its governance framework and the infrastructure for data collection and analysis. In the future, the Group will gradually implement climate scenario analysis tailored to its business operations and risk profile, taking into account actual circumstances.</p>
<p>(i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes)</p>	
<p>(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;</p>	
<p>(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks;</p>	
<p>(iv) whether and how the entity prioritises climate-related risks relative to other types of risk;</p>	
<p>(v) how the entity monitors climate-related risks; and</p>	
<p>(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;</p>	
<p>25(b) the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and</p>	<p>Green Development—Response to Climate Change—Risk Management</p>
<p>25(c) the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.</p>	<p>At this stage, the Group has not yet fully integrated climate-related risks and opportunities into its overall risk management process.</p>

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Disclosure Description	Section/Remarks
Metrics and Targets	
27 The objective of climate-related financial disclosures on metrics and targets is to enable users of general purpose financial reports to understand an entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.	
28 To achieve this objective, an entity shall disclose:	Green Development—Response to Climate Change—Metrics & Targets
28(a) information relevant to the cross-industry metric categories (see paragraphs 29-31);	
28(b) industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry (see paragraph 32); and	
28(c) targets set by the entity, and any targets it is required to meet by law or regulation, to mitigate or adapt to climate-related risks or take advantage of climate-related opportunities, including metrics used by the governance body or management to measure progress towards these targets (see paragraphs 33-37).	
Climate-related Metrics	
29 An entity shall disclose information relevant to the cross-industry metric categories of:	
29(a) greenhouse gases—the entity shall:	Green Development—Response to Climate Change—Metrics & Targets
(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO ₂ equivalent, classified as: <ul style="list-style-type: none"> (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions; 	Appendix—Performance Data Summary This report discloses Scope 1 and Scope 2 emissions and will gradually consider disclosing Scope 3 emissions.
(iii) disclose the approach it uses to measure its greenhouse gas emissions, including: <ul style="list-style-type: none"> (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes; 	Green Development—Response to Climate Change—Metrics & Targets
(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: <ul style="list-style-type: none"> (1) the consolidated accounting group; and (2) other investees excluded from paragraph 29(a)(iv)(1); 	The Group has not yet broken down Scope 1 and Scope 2 emissions for the consolidated accounting group and other investees; future reports will consider exploring this possibility.
(v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions; and	Green Development—Response to Climate Change—Metrics & Targets During the Reporting Period, the Company has not utilized renewable energy certificates, green power contracts, or other contractual instruments to offset Scope 2 emissions.

Environmental, Social and Governance Report

Disclosure Description	Section/Remarks
<p>(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), disclose:</p> <p>(1) the categories included within the entity’s measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and</p> <p>(2) additional information about the entity’s financed emissions (which are part of Category 15 greenhouse gas emissions), if its activities include asset management, commercial banking or insurance.</p>	<p>This report discloses Scope 1 and Scope 2 emissions and will gradually consider disclosing Scope 3 emissions.</p>
<p>29(b) climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks.</p>	<p>The Group is currently unable to provide quantitative disclosures regarding the amounts and percentages of assets or business activities that are exposed to climate-related transition risks and physical risks, or that are associated with climate-related opportunities, as well as the amounts of capital expenditures, financing, or investments arising from climate-related risks and opportunities. This is primarily due to current limitations in internal resources and data systems. At this stage, such information is provided only on a qualitative basis.</p> <p>In addition, the Group has not yet formally incorporated internal carbon pricing into its decision-making processes; therefore, no relevant data is available for disclosure during the reporting period. Going forward, the Group will gradually establish the necessary statistical foundation in line with resource allocation and system development progress, and will continue to enhance the completeness of its disclosures.</p>
<p>29(c) climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks.</p>	
<p>29(d) climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities.</p>	
<p>29(e) capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities.</p>	
<p>29(f) internal carbon prices—the entity shall disclose:</p> <p>(i) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and</p> <p>(ii) the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions.</p>	
<p>29(g) remuneration—the entity shall disclose:</p> <p>(i) a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and</p> <p>(ii) the percentage of executive management remuneration recognised in the current period that is linked to climate related considerations.</p>	<p>The Group has not yet formally incorporated specific climate performance metrics into its senior management compensation policy. When reviewing its performance metrics and compensation policy in the future, the Group will assess the feasibility of further incorporating climate-related performance into compensation considerations and provide quantitative disclosures.</p>

Environmental, Social and Governance Report

Disclosure Description	Section/Remarks
Climate-related Targets	
33 An entity shall disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. For each target, the entity shall disclose:	
33(a) the metric used to set the target;	Green Development—Response to Climate Change
33(b) the objective of the target;	
33(c) the part of the entity to which the target applies;	The Group's currently disclosed climate-related targets are short-term energy conservation and emissions reduction targets for its Zhongshan packaging operations. Using 2025 electricity consumption and greenhouse gas emissions as the baseline, the targets are set to achieve a 2% reduction in electricity consumption and a 2% reduction in emissions by 2026. These targets are interim management objectives, formulated primarily based on current operational realities and the schedule for energy conservation and emissions reduction initiatives. At this stage, the Group has not yet established medium-to long-term climate targets at the Group level; in the future, we will gradually refine the relevant disclosures based on actual circumstances.
33(d) the period over which the target applies;	
33(e) the base period from which progress is measured;	
33(f) any milestones and interim targets;	
33(g) if the target is quantitative, whether it is an absolute target or an intensity target; and	
33(h) how the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	
34 An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	
34(a) whether the target and the methodology for setting the target has been validated by a third party;	
34(b) the entity's processes for reviewing the target;	
34(c) the metrics used to monitor progress towards reaching the target; and	
34(d) any revisions to the target and an explanation for those revisions.	
35 An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	
36 For each greenhouse gas emissions target disclosed in accordance with paragraphs 33-35, an entity shall disclose:	
36(a) which greenhouse gases are covered by the target.	
36(b) whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	
36(c) whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target.	
36(d) whether the target was derived using a sectoral decarbonisation approach.	

Environmental, Social and Governance Report

Disclosure Description	Section/Remarks
<p>36(e) the entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including:</p> <ul style="list-style-type: none">(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;(ii) which third-party scheme(s) will verify or certify the carbon credits;(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and(iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use.	<p>During the Reporting Period, the Group did not use carbon credits to offset its carbon emissions. We are committed to taking action to achieve relevant environmental goals aimed at reducing carbon emissions.</p>

Independent Auditor's Report



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Independent Auditor's Report to the Members of Touyun Biotech Group Limited

(Incorporated in Bermuda with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Touyun Biotech Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 93 to 188, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

We do not express an opinion on the Group's consolidated financial statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

As set out in note 1(b) to the consolidated financial statements, at 31 December 2025, the Group had net current liabilities of approximately HK\$493,104,000. The current liabilities of the Group as at 31 December 2025 include bank and other borrowings and advances from a director and a shareholder of the Company, with aggregate carrying amount of approximately HK\$534,345,000, while the Group's cash and cash equivalents as at 31 December 2025 amounted to only approximately HK\$5,063,000. As at 31 December 2025, the Group's certain bank and other borrowings with the aggregate carrying amounts of approximately HK\$229,823,000 had been due for immediate payment, as set out in note 29 to the consolidated financial statements. These conditions, along with other matters as set forth in note 1(b) to the consolidated financial statements, cast significant doubt on the Group's ability to continue as a going concern.

Independent Auditor's Report

The consolidated financial statements have been prepared on a going concern basis, the validity and appropriateness of which depends on the feasibility of the plans and measures being taken by the directors of the Company to improve the liquidity position of the Group, as described in note 1(b) to the consolidated financial statements, and whether there is adequate support for the assumptions underlying the cash flow forecast prepared by management for the purposes of the going concern assessment performed by management. We have not been provided the supporting bases for the feasibility of these plans and measures and reasonableness of the assumptions adopted, including the assumptions about (i) the successful negotiations with the banks/lenders for the renewal of or extension for repayment of outstanding borrowings; (ii) the successful maintenance of relationship with the Group's existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings, including those in default and with cross-default terms; (iii) the successful obtaining of additional new sources of financing as and when needed; (iv) successfully strengthening and implementing measures aiming at improving the working capital and cash flows of the Group, including closely monitoring the general administrative expenses and capital expenditures; (v) successful realisation of the Group's unlisted investments to increase the working capital as and when needed, to increase the Group's internally generated funds. We were provided with an analysis by the management in respect of the Group's going concern assessment. However, such analysis is not sufficiently detailed for us to assess the Group's plans and measures for future actions in the going concern assessment which takes into account the uncertainty of outcome of these plans and measures and how variability in outcome would affect the future cash flows of the Group. Accordingly, we have not been provided with sufficient appropriate audit evidence to conclude on the appropriateness of the management's use of the going concern basis of accounting in the preparation of the consolidated financial statements and there were no alternative audit procedures that we can perform. Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the carrying amounts of the Group's assets to their recoverable amounts, to provide for any further liabilities that may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

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

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

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

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Independent Auditor's Report

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants and to issue an auditor's report in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Moore CPA Limited

Certified Public Accountants

Leung Man Chung

Practising Certificate Number: P08074

Hong Kong, 27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
CONTINUING OPERATIONS			
Revenue from treasury investments	5		
Fair value (loss)/gain on financial assets at fair value through profit or loss held for trading, net		(5,234)	4,565
Interest income from money lending business		256	3,101
Revenue from sales of goods and services rendered	5	71,948	91,932
Cost of sales		(48,994)	(62,496)
Gross profit		22,954	29,436
Reversal of/(provision for) impairment loss on trade receivables, net		252	(2,341)
(Provision for)/reversal of impairment loss on loan and interest receivables, net	22	(1,756)	1,598
Other income, gains and losses, net	6	128,900	(32,951)
Selling and distribution expenses		(8,689)	(8,990)
Administrative expenses		(67,927)	(63,883)
Finance costs	7	(21,182)	(9,693)
Profit/(loss) before tax	8	47,574	(79,158)
Income tax (expense)/credit	11	(11)	326
Profit/(loss) for the year from continuing operations		47,563	(78,832)
DISCONTINUED OPERATIONS			
Profit/(loss) for the year from discontinued operations	44	13,735	(9,208)
Profit/(loss) for the year		61,298	(88,040)
Profit/(loss) for the year attributable to owners of the Company:			
– from continuing operations		11,632	(78,899)
– from discontinued operations		15,167	(9,208)
		26,799	(88,107)
Profit/(loss) for the year attributable to non-controlling interests:			
– from continuing operations		35,931	67
– from discontinued operations		(1,432)	–
		34,499	67
		61,298	(88,040)
Earnings/(loss) per share attributable to owners of the Company from continuing and discontinued operations:			
– Basic earnings/(loss) per share	13	HK0.95 cents	HK(3.14) cents
– Diluted earnings/(loss) per share		HK0.95 cents	HK(3.14) cents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Note	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Earnings/(loss) per share attributable to owners of the Company from continuing operations:	13		
– Basic earnings/(loss) per share		HK0.41 cents	HK(2.81) cents
– Diluted earnings/(loss) per share		HK0.41 cents	HK(2.81) cents
Earnings/(loss) per share attributable to owners of the Company from discontinued operations:	13		
– Basic earnings/(loss) per share		HK0.54 cents	HK(0.33) cents
– Diluted earnings/(loss) per share		HK0.54 cents	HK(0.33) cents
Profit/(loss) for the year		61,298	(88,040)
Other comprehensive (loss)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations		(1,888)	541
Recycling of cumulative translation difference upon disposal of foreign operations		(1,128)	–
Other comprehensive (loss)/income for the year, net of tax		(3,016)	541
Total comprehensive income/(loss) for the year		58,282	(87,499)
Total comprehensive income/(loss) for the year attributable to equity shareholders of the Company:			
– from continuing operations		9,603	(77,737)
– from discontinued operations		14,180	(9,829)
		23,783	(87,566)
Total comprehensive income/(loss) for the year attributable to non-controlling interests:			
– from continuing operations		35,931	67
– from discontinued operations		(1,432)	–
		34,499	67
		58,282	(87,499)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	178,806	202,980
Right-of-use assets	15	63,386	77,196
Intangible assets	16	–	–
Goodwill	17	–	–
Loan receivables	22	199	188
Financial assets at fair value through profit or loss	18	278,968	95,902
		521,359	376,266
CURRENT ASSETS			
Inventories	19	18,241	24,585
Trade receivables	20	9,461	22,284
Prepayments, contract costs, deposits and other receivables	21	48,981	40,880
Tax recoverable		967	–
Loan and interest receivables	22	15,632	15,236
Financial assets at fair value through profit or loss	18	–	53,327
Restricted bank deposits	23	–	1,424
Cash and cash equivalents	24	5,063	16,317
		98,345	174,053
CURRENT LIABILITIES			
Trade payables	25	7,806	12,528
Contract liabilities	26	5,555	22,156
Other payables and accruals	27	40,045	49,697
Margin loans payable	30	–	2,164
Lease liabilities	28	3,531	10,129
Bank and other borrowings	29	409,740	339,318
Amount due to a director	29	99,052	97,192
Amount due to a shareholder of the Company	29	25,553	24,632
Tax payable		167	167
		591,449	557,983
Net current liabilities		(493,104)	(383,930)
Total assets less current liabilities		28,255	(7,664)

Consolidated Statement of Financial Position

31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT LIABILITIES			
Bank and other borrowings	29	–	26,807
Long service payment payable	34	511	–
Lease liabilities	28	353	6,171
		864	32,978
Net assets/(liabilities)			
		27,391	(40,642)
Equity			
Equity attributable to owners of the parent			
Share capital	32	112,238	112,238
Deficits	33	(163,336)	(195,438)
		(51,098)	(83,200)
Non-controlling interests	36	78,489	42,558
Total equity/(deficit)		27,391	(40,642)

Wang Liang
Director

Du Dong
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Attributable owners of the parent								Non-controlling interests	Total equity/(deficits)	
	Notes	Issued capital	Share premium account	Capital reserve	Contributed surplus	Share option reserve	Translation reserve	Accumulated losses			Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
		(note 33(a))	(note 33(b))	(note 33(c))	(note 33(d))						
At 31 December 2023		112,238	1,907,658*	27,049*	(34,425)*	39,402*	7,893*	(2,060,663)*	(848)	21,921	21,073
Loss for the year		-	-	-	-	-	-	(88,107)	(88,107)	67	(88,040)
Exchange differences on translation of foreign operations		-	-	-	-	-	541	-	541	-	541
Total comprehensive loss for the year		-	-	-	-	-	541	(88,107)	(87,566)	67	(87,499)
Waiver of amount due to a shareholder of the Company		-	-	2,145	-	-	-	-	2,145	-	2,145
Partial disposal of a subsidiary	(i) & (ii)	-	-	-	-	-	-	(570)	(570)	20,570	20,000
Equity settled share-based transactions	35	-	-	-	-	3,639	-	-	3,639	-	3,639
Share options lapsed		-	-	-	-	(12,176)	-	12,176	-	-	-
Transactions with equity shareholders		-	-	2,145	-	(8,537)	-	11,606	5,214	20,570	25,784
At 31 December 2024		112,238	1,907,658*	29,194*	(34,425)*	30,865*	8,434*	(2,137,164)*	(83,200)	42,558	(40,642)

	Attributable owners of the parent								Non-controlling interests	Total equity/(deficits)	
	Notes	Issued capital	Share premium account	Capital reserve	Contributed surplus	Share option reserve	Translation reserve	Accumulated losses			Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000			
		(note 33(a))	(note 33(b))	(note 33(c))	(note 33(d))						
At 31 December 2024		112,238	1,907,658*	29,194*	(34,425)*	30,865*	8,434*	(2,137,164)*	(83,200)	42,558	(40,642)
Profit for the year		-	-	-	-	-	-	26,799	26,799	34,499	61,298
Exchange differences on translation of foreign operations		-	-	-	-	-	(1,888)	-	(1,888)	-	(1,888)
Recycling of cumulative translation difference upon disposal of foreign operations		-	-	-	-	-	(1,128)	-	(1,128)	-	(1,128)
Total comprehensive income for the year		-	-	-	-	-	(3,016)	26,799	23,783	34,499	58,282
Partial disposal of a subsidiary	(iii)	-	-	-	-	-	-	7,033	7,033	(1,699)	5,334
Disposal of subsidiaries	44	-	-	-	-	-	-	-	-	3,131	3,131
Equity settled share-based transactions	35	-	-	-	-	1,286	-	-	1,286	-	1,286
Share options lapsed		-	-	-	-	(5,473)	-	5,473	-	-	-
Transactions with equity shareholders		-	-	-	-	(4,187)	-	12,506	8,319	1,432	9,751
At 31 December 2025		112,238	1,907,658*	29,194*	(34,425)*	26,678*	5,418*	(2,097,859)*	(51,098)	78,489	27,391

* These accounts comprise the consolidated deficits of HK\$163,336,000 (2024: deficits of HK\$195,438,000) in the consolidated statement of financial position.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

Notes:

- (i) On 29 November 2024, the Group disposed of 7.92% equity interest in Era Bright for a consideration of HK\$5,000,000 to an independent third party. The disposal was completed on 3 December 2024 and had been accounted for as equity transaction. After the partial disposal, the Group's equity shareholding in Era Bright decreased from 67.63% to 59.71% and the Group retained its control in Era Bright as at 31 December 2024.
- (ii) On 3 December 2024, the Group disposed of 21% equity interest in Marvel Galaxy Limited ("Marvel Galaxy"), a wholly-owned subsidiary of the Group, for a consideration of HK\$15,000,000 to an independent third party. The disposal was completed on 3 December 2024 and had been accounted for as equity transaction. After the disposal, the Group retained its control in Marvel Galaxy as at 31 December 2024.
- (iii) On 6 March 2025, the Group entered into an agreement to dispose of 30% equity interest in Fortune Road International Limited ("Fortune Road"), a wholly-owned subsidiary of the Group, at a cash consideration of HK\$5,334,000 (equivalent to RMB5,000,000) to an independent third party. The disposal was completed on 21 March 2025 and had been accounted for as equity transaction. After the disposal, the Group retained its control in Fortune Road until 29 August 2025, on which date the Group disposed remaining 70% equity interest to the above-mentioned independent third party.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(loss) before tax:			
– from continuing operations		47,574	(79,158)
– from discontinued operations		13,735	(9,208)
		61,309	(88,366)
Adjustments for:			
Bank interest income	6	(13)	(64)
Loan interest income	5	(256)	(3,101)
Depreciation of property, plant and equipment	8	12,277	13,308
Depreciation of right-of-use assets	8	11,338	16,168
Loss/(gain) on early termination of lease	6	375	(276)
Gain on lease modification	6	–	(31)
Fair value (gain)/loss on equity investment at fair value through profit or loss (not held for trading), net	6		
– Unlisted equity investments		(53,243)	38,124
– Listed equity investments		(75,973)	–
Fair value loss/(gain) on equity investments at fair value through profit or loss (held for trading), net	5	5,234	(4,565)
Equity-settled share option expenses	8	1,286	3,639
Gain on disposal of subsidiaries	44	(22,875)	–
Provision of impairment loss of inventories	8	3,539	544
Finance costs	7	21,370	10,106
(Gain)/loss on disposal/written off of property, plant and equipment, net	6	(563)	1,033
Impairment loss on property, plant and equipment	6	2,698	–
Impairment loss on right-of-use asset	6	2,801	–
Provision for/(reversal of) impairment loss on loan and interest receivables	22	1,756	(1,598)
Written off of trade payables		–	(240)
Waiver of other payables		–	(2,145)
(Reversal of)/provision of impairment loss of trade and other receivables, net	41(b)	(108)	3,904
Operating cash flows before movements in working capital		(29,048)	(13,560)
Increase in inventories		(61)	(9,880)
(Increase)/decrease in trade receivables and prepayments, contract costs, deposits and other receivables		(1,064)	1,580
(Increase)/decrease in loan and interest receivables		(15,000)	28,924
Decrease/(increase) in financial assets at fair value through profit or loss (held for trading), net		26,292	(47,257)
Increase in trade payables, contract liabilities and other payables and accruals		(1,681)	(3,250)
Increase in long service payment payable		511	–

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 HK\$'000	2024 HK\$'000
Cash used in operations		(20,051)	(43,443)
Interest received		1,073	3,165
Interest paid	24(b)	(9,680)	(9,701)
Hong Kong profits tax paid		(978)	–
Net cash flows used in operating activities		(29,636)	(49,979)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(1,164)	(3,664)
Proceeds from disposal of property, plant and equipment		7	432
Net cash inflow from disposal of subsidiaries	44	12,152	–
Increase in restricted bank deposits		1,424	(1,424)
Increase in right-of-use assets of prepaid rental expenses		(1,800)	–
Acquisition of financial assets at fair value through profit or loss, not held for trading		(20,000)	–
Net cash flows used in investing activities		(9,381)	(4,656)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		(9,660)	(13,501)
New bank and other borrowings raised	29(a)	105,516	91,853
Repayment of bank and other borrowings	29(a)	(74,486)	(75,586)
Proceeds from partial disposal of subsidiaries without losing control		5,334	20,000
Margin loans (settled)/raised		(2,164)	2,164
Advance from a director	24(b)	1,860	2,800
Advance from a shareholder of the Company	24(b)	921	8,119
Net cash flows from financing activities		27,321	35,849
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		16,317	34,493
Effect of foreign exchange rate changes, net		442	610
CASH AND CASH EQUIVALENTS AT END OF YEAR	24	5,063	16,317

MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2025, the Group had the following major non-cash transaction:

- (i) on 6 May 2025, the Group entered into a subscription agreement to acquire a financial asset at FVTPL with fair value of HK\$22,033,000 at initial recognition. The consideration was satisfied by a cash payment of HK\$10,000,000 and by the assignment of loan receivables from an independent third party with fair value of HK\$12,033,000, in which there was no gain or loss upon assignment/transfer of such loan receivable which was measured at amortised cost.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL AND BASIS OF PREPARATION

(a) Corporate and group information

Touyun Biotech Group Limited (the “Company”) was incorporated in Bermuda under the Companies Act 1981 of Bermuda as an exempted company with limited liability on 24 October 2011. The principal place of business of the Company is located at 12th Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong. During the year, the principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are (i) the manufacture and sale of packaging products; and (ii) investments and trading in securities and money lending, and (iii) production and sale of *Chlamydomonas reinhardtii*, micro-algae and related products. The Group was also engaged in the provision of QR codes on product packaging and solutions services business, which was a separate reportable segment of the Group presented in its previously issued consolidated financial statements for prior years and was discontinued during the year ended 31 December 2025 (note 44).

(b) Basis of preparation

At 31 December 2025, the Group had net current liabilities of approximately HK\$493,104,000. The current liabilities of the Group as at 31 December 2025 include bank and other borrowings and advances from a director and a shareholder of the Company, with aggregate carrying amount of approximately HK\$534,345,000, while the Group’s cash and cash equivalents as at 31 December 2025 amounted to only approximately HK\$5,063,000. As at 31 December 2025, the Group’s certain bank and other borrowings with the aggregate carrying amounts of approximately HK\$229,823,000 had been due for immediate payment, as set out in note 29 to the consolidated financial statements. These conditions indicate the existence of material uncertainties which may cast significant doubt on the Group’s ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The Group has developed and implemented the following liquidity plans to address the going concern issue:

- (i) The Group is negotiating with financial institutions with a view to obtaining new financing at reasonable cost for repayment to the existing lenders and/or additional working capital;
- (ii) The Group will actively obtain additional new sources of financing (such as additional advances from directors of the Company) as and when needed, and maintain relationship with the Group’s existing lenders such that no action will be taken by the relevant lenders to demand immediate repayment of the borrowings, including those in default and with cross-default terms. The Group has been negotiating with one of its lenders (the “Lender”) for the extension of loans with principal amounts of RMB60,000,000 (equivalent to HK\$66,048,000) and RMB90,000,000 (equivalent to HK\$99,072,000) which were overdue since maturity dates of 7 June 2025 and 11 December 2025 respectively. Up to the date of this report, no formal extension agreement has been reached;
- (iii) The Group will closely communicate with Mr. Wang Liang, a director of the Company and Ms. Qiao Yanfeng, a shareholder of the Company to request for undertaking that they would not demand repayment of the amounts due to them with aggregate amounts of HK\$124,605,000 as at 31 December 2025 or extend the advances until the Group has excess cash to repay;
- (iv) The Group is further exploring the market in Mainland China for sales of the Group’s *Chlamydomonas reinhardtii* and related products to improve the liquidity, profitability and revenue of the Group, together with applying cost control measures in reducing its cost of sales, administrative expenses and capital expenditures, to increase the Group’s internally generated funds and operating cash inflows in coming years continuously; and
- (v) The Group will also continue to seek for other alternatives to increase its working capital such as disposing of the Group’s unlisted investments included in financial assets at fair value through profit or loss, if needed.

The directors of the Company are confident that, after the abovementioned measures progressively take effect, the financial condition of the Group will be restored and the uncertainties relating to going concern of the Group will be properly addressed. The directors of the Company therefore hold the view that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the next twelve months from 31 December 2025. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL AND BASIS OF PREPARATION *(Continued)*

(b) Basis of preparation *(Continued)*

However, material uncertainties exist as to whether the directors of the Company are able to implement the abovementioned mitigation measures as described above. The cash flow forecast prepared for the purposes of the going concern assessment has incorporated assumptions about future events and conditions that are subject to inherent uncertainties. Should the Group fail to implement the abovementioned mitigation measures, the Group may not have sufficient funds to operate as a going concern, in which case adjustments might have to be made to the carrying values of the Group's assets to their recoverable amounts, to reclassify the non-current assets and non-current liabilities as current assets and current liabilities respectively, and to provide for any further liabilities which might arise. The effects of these adjustments have not been reflected in the consolidated financial statements of the Group for the year ended 31 December 2025.

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards ("HKFRS"), Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and accounting principles generally accepted in Hong Kong and in compliance with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). These consolidated financial statements also comply with applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules" respectively).

These consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional currency. All values are rounded to the nearest thousand except when otherwise indicated.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which have been measured at fair value.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

The Group has applied the following amendments to an HKFRS Accounting Standard issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21	Lack of Exchangeability
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Amendments to HKAS 21 specify how to assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking.

The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the consolidated financial information.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

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

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but are not yet effective:

HKFRS 18	Presentation and Disclosure in Financial Statements ³
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ²
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ³
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ²

¹ Effective for annual periods beginning on or after a date to be determined

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual periods beginning on or after 1 January 2027

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

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and the amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. HKFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statement of profit or loss and disclosures in the future financial statements. The Group is currently assessing the impact that HKFRS 18 will have on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(d) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

Acquisitions of businesses, other than business combination under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

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

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets or at fair value. The choice of measurement basis is made on a transaction-by-transaction basis.

(e) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(e) Property, plant and equipment and depreciation *(Continued)*

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	20% or over the unexpired terms of the leases, if less than 5 years
Furniture, fixtures and equipment	10% to 33.3%
Motor vehicles	20% to 25%
Plant and machinery	10% to 33.3%
Buildings	4%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(f) Leases

The Group as a lessee

Short-term leases

The Group applies the short-term lease recognition exemption to leases of office buildings and office equipment that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. Lease payments on short-term leases are recognised as expense on a straight-line basis or another systematic basis over the lease term.

Right-of-use assets

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(f) Leases *(Continued)*

The Group as a lessee *(Continued)*

Refundable rental deposits

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

Lease liabilities

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

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

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

(g) Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of the asset’s or cash-generating unit’s value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Financial instruments

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

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Dividend income from financial assets at fair value through profit or loss held for trading and fair value gains or losses on financial assets at fair value through profit or loss held for trading, net which are derived from the Group's ordinary course of business are presented as revenue.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both selling and collecting contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application of HKFRS 9 Initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(h) Financial instruments *(Continued)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit-impaired.

(ii) Equity instruments at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “revenue” line item.

(i) Impairment of financial assets and other items subject to impairment assessment under HKFRS 9

The Group performs impairment assessment under expected credit loss (“ECL”) model on financial assets (including trade receivables, other receivables and loan and interest receivables) which are subject to impairment under HKFRS 9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessments are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and loan and interest receivable. The ECL on these assets are assessed individually for debtors with significant balances and/or collectively using a provision matrix with appropriate groupings.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

(i) Significant increase in credit risk

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

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

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

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

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

(ii) Definition of default

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

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

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

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

(iv) Write-off policy

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(i) Impairment of financial assets and other items subject to impairment assessment under HKFRS 9 *(Continued)*

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with HKFRS 16.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade receivables, loan and interest receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for ECL on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(j) Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

(k) Financial liabilities

Initial recognition and measurement

Financial liabilities, at initial recognition, are recognised at fair value.

The Group's financial liabilities include trade payables, amount due to a director, amount due to a shareholder of the Company, other payables, margin loan payables, lease liabilities, bank and other borrowings and financial liabilities at fair value through profit or loss.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKFRS 9 are satisfied.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(k) Financial liabilities *(Continued)*

Subsequent measurement *(Continued)*

Financial liabilities at amortised cost

After initial recognition, the Group's financial liabilities that include trade payables, amount due to a director, amount due to a shareholder of the Company, other payables, margin loan payables, lease liabilities and bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method.

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

(l) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When the contractual terms of financial liability are modified such that the revised terms would result in a substantial modification from the original terms after considering qualitative factors (e.g. modifications of convertible instruments).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(m) Inventories and contract costs

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(ii) Contract costs

Contract costs are either the incremental costs of obtaining a contract with a customer or the costs to fulfil a contract with a customer which are not capitalised as inventory.

Incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained e.g. an incremental sales commission. Incremental costs of obtaining a contract are capitalised when incurred if the costs relate to revenue which will be recognised in a future reporting period and the costs are expected to be recovered. Other costs of obtaining a contract are expensed when incurred.

Costs to fulfil a contract are capitalised if the costs relate directly to an existing contract or to a specifically identifiable anticipated contract; generate or enhance resources that will be used to provide goods or services in the future; and are expected to be recovered. Costs that relate directly to an existing contract or to a specifically identifiable anticipated contract may include direct labour, direct materials, allocations of costs, costs that are explicitly chargeable to the customer and other costs that are incurred only because the group entered into the contract (for example, payments to sub-contractors). Other costs of fulfilling a contract, which are not capitalised as inventory are expensed as incurred.

Capitalised contract costs are stated at cost less accumulated amortisation and impairment losses. Impairment losses are recognised to the extent that the carrying amount of the contract cost asset exceeds the net of (i) remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates, less (ii) any costs that relate directly to providing those goods or services that have not yet been recognised as expenses. Amortisation of capitalised contract costs is charged to profit or loss when the revenue to which the asset relates is recognised. The accounting policy for revenue recognition is set out in note 2(p).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(n) Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue (see note 2(p)). A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

(o) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

(p) Revenue recognition

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(p) Revenue recognition *(Continued)*

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service. Revenue excludes value added taxes and is after deduction of any trade discounts.

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

The Group's revenue and other income recognition policies are as follows:

(i) Sales of packaging products and QR code packaging products

Revenue is recognised when the customers take possession of and accept the goods. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Provision of QR code solutions

Revenue is recognised at a point in time when the development of software is completed.

(iii) Maintenance service income

Maintenance service income is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Group's performance.

(iv) Sales of *chlamydomonas reinhardtii* products

Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been delivered to the customers.

(v) Gains or losses on trading of securities

Gains or losses on trading of securities are recognised on a trade date basis when the relevant transactions are executed.

(vi) Interest income

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(q) Government grant

Government grants are recognised in the consolidated statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset.

Government grants relate to income that are receivable as compensation for expenses or losses already incurred by the Group or for the purpose of giving immediate financial support to the Group with no future related costs to be incurred by the Group are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income, gains and losses, net”.

(r) Share-based payments

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (“equity-settled transactions”).

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(s) Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

The Group also operates a Mandatory Provident Fund Exempted Occupational Retirement Schemes Ordinance (“ORSO”) retirement benefit scheme for those employees who are eligible to participate in the ORSO scheme. This scheme operates in a way similar to the MPF Scheme, except that when an employee leaves the scheme prior to his/her interest in the Group’s employee contributions vesting fully, the ongoing contributions payable by the Group are reduced by the relevant amount of forfeited employer’s contributions.

The employees of the Group’s subsidiaries which operates in People’s Republic of China (the “PRC”) are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of its payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(t) Income tax

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) **Income tax** *(Continued)*

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

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries and an associate, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries and an associate, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(t) **Income tax** *(Continued)*

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

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

(u) **Foreign currencies**

These consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries are currencies other than Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated to Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(v) Fair value measurement

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

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

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

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

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(w) Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group 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 the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

2. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION *(Continued)*

(x) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned. Where an operation is classified as discontinued, a single amount is presented on the face of the statement of profit or loss, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Significant judgement

Revenue recognition from the provision of QR code service relating to the development of software with no alternative use at a point in time

Under HKFRS 15, revenue is recognised over time when any of the criteria set out in note 2(p) is satisfied. The management assessed criteria (A) and (B) and concluded that these criteria were not met because the development was carried out in the Group's premises. In respect of criterion (C) about whether the Group's performance created an asset with an alternative use to the Group and the Group had an enforceable right to payment for performance completed to date, significant judgement would be required in determining whether the terms of the contracts with customers gives the Group an enforceable right to payment for the Group for the work performed to date at all times during the contract period. The Group had considered the relevant local laws that applied to those relevant contracts, the customary business practice of the Group in the industry in which it operated and the relevant legal and regulatory environment. Based on the assessment by the directors of the Company on the foregoing factors, the Group did not have an enforceable right to payment for performance completed to date and accordingly did not satisfy criterion (C). Accordingly, revenue from the provision of QR code service relating to the development of software, which had no alternative use to the Group, was considered to be performance obligation satisfied at a point in time. The provision of QR code service was discontinued during the year (note 44).

Estimation uncertainty

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

Estimation of recoverable amounts of property, plant and equipment and leasehold lands

In the absence of current prices in an active market for similar items of property, plant and equipment and leasehold lands, the Group considers information from a variety of sources when determining the recoverable amounts of its property, plant and equipment and leasehold lands based on their fair values less costs of disposal, including:

- (a) current prices (including rental prices) in an active market (if available) for property, plant and equipment and leasehold lands of a different nature, condition or location, adjusted to reflect those differences;
- (b) recent or past prices (including rental prices) of similar property, plant and equipment and leasehold lands on less active markets, with adjustments to reflect any changes in economic conditions since the dates of the transactions that occurred at those prices;
- (c) an estimation of the new replacement cost of the assets from which deductions are then made to allow for physical deterioration and all forms of obsolescence and optimisation.

The carrying amount of leasehold lands, buildings, plant and machinery, and equipment of Chlamydomonas reinhardtii products business segment at 31 December 2025 were HK\$60,501,000, HK\$112,064,000, HK\$55,808,000 and HK\$10,069,000 respectively located in Lucheng District, Changzhi City, Shanxi Province, the People's Republic of China. Further details are given in notes 14 and 15 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Fair value of financial instruments

The Group's unquoted investments amounting to HK\$181,178,000 (2024: HK\$95,902,000) as at 31 December 2025 are measured at fair values with fair values being determined using valuation techniques based on unobserved inputs.

Judgement is required and high level of estimation uncertainty is involved in the fair value measurements in establishing the relevant valuation techniques and the relevant inputs thereof. Changes in assumptions relating to these factors could affect the reported fair values of these investments. See note 40 for further disclosures.

Provision for obsolete and slow-moving inventories

The Group has a general provision policy on inventories based on ageing. The Group's sales and marketing managers review the inventory ageing listing on a periodical basis for those aged inventories. This involves a comparison of the carrying values of aged inventory items with their respective net realisable values. The purpose is to ascertain whether allowance is required to be made in the financial statements for any obsolete and slow-moving items. In addition, physical counts on all inventories are carried out on a periodical basis in order to determine whether allowance needs to be made in respect of any obsolete and defective inventories identified. As at 31 December 2025, the gross carrying amount of inventories is HK\$22,324,000 (2024: HK\$25,129,000) and provision for impairment loss of HK\$4,083,000 as at 31 December 2025 (2024: HK\$544,000).

Provision of ECL for trade receivables

The Group uses provision matrix to calculate ECL for trade receivables. The provision rates are based on the Group's internal credit review from the Group's historical repayment pattern and the Group's groupings of various debtors that are considered to have similar credit risk. The provision matrix is based on the Group's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and adjusted to reflect changes in the forward-looking information. In addition, trade receivables with significant balances and credit impaired are assessed for ECL individually. As at 31 December 2025, the gross carrying amount of trade receivables was HK\$11,730,000 (2024: HK\$37,319,000) and impairment loss allowance amounted to HK\$2,269,000 (2024: HK\$15,035,000).

Impairment allowances on loan and interest receivables

The Group measures the loss allowance based on an expected credit loss model. The allowance for ECL on the unsecured loan and interest receivables are calculated based on loss rates which are reference to the interest rates granted by similar money lending companies for similar lendings and historical data, adjusted for forward-looking futures specific to the debtors and the economic environment. Specifically, a credit loss is the present value of the difference between (i) the contractual cash flows that are due to an entity under the contract and (ii) the cash flows that the entity expects to receive. Such assessment involves a high degree of estimation uncertainty. When the actual future cash flows are less or more than expected, material ECLs or material reversal of ECLs may arise, accordingly. As at 31 December 2025, the gross carrying amount of unsecured loans and advances to customers was HK\$17,751,000 (2024: HK\$16,555,000) and impairment loss allowance amounted to HK\$1,920,000 (2024: HK\$1,131,000).

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and unsecured loan and interest receivables are disclosed in notes 41(b) and 22.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

Estimation uncertainty *(Continued)*

Share-based payments

The Group measures the cost of equity-settled transactions with employees and consultants providing similar services to employees, by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payments requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield. During the year ended 31 December 2025, the Group recognised an expense of HK\$1,286,000 (2024: HK\$3,639,000) as equity-settled share-based payments, by reference to the fair value of equity instruments at the date which they are granted. The assumptions and models used for estimating fair value for share-based payments are disclosed in note 35.

4. SEGMENT INFORMATION

The Group has three reportable segments in its continuing operations. The segments are managed separately as each business offers different products or provides different services and requires different business strategies. No operating segments have been aggregated in arriving at the reportable segments of the Group.

The following summary describes the operations in each of the Group's reportable segments:

Packaging products business segment	–	Manufacture and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units
Treasury investment business segment	–	Investments and trading in securities and money lending
Chlamydomonas reinhardtii products business segment	–	Production and sale of Chlamydomonas reinhardtii, micro-algae and related products

The executive directors of the Company, who are the chief operating decision maker ("CODM"), monitor the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs, and head office and corporate income and expenses are excluded from such measurement.

There was no inter-segment sale or transfer during the year (2024: nil). Central income and expenses are not allocated to the operating segments as they are not included in the measure of the segments' results that is used by the CODM, for assessment of segment performance.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. SEGMENT INFORMATION *(Continued)*

An operating segment regarding QR code business was classified as discontinued operations in the current year. The segment information reported in this Note does not include any amounts for the discontinued operations, which are described and disclosed in more detail in note 44.

	Packaging products business		Treasury investment business		Chlamydomonas reinhardtii products business		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
								(Re-presented)
Group's revenue	62,277	75,847	-	-	9,671	16,085	71,948	91,932
Fair value (loss)/gain on financial assets at fair value through profit or loss held for trading, net	-	-	(5,234)	4,565	-	-	(5,234)	4,565
Interest income from money lending business	-	-	256	3,101	-	-	256	3,101
Segment revenue	62,277	75,847	(4,978)	7,666	9,671	16,085	66,970	99,598
Segment results	(9,203)	(7,424)	122,724	(13,870)	(27,170)	(12,966)	86,351	(34,260)
Corporate and unallocated income, gains and losses, net							1,433	(9,711)
Corporate and unallocated expenses							(19,028)	(25,494)
Finance costs							(21,182)	(9,693)
Profit/(loss) before tax							47,574	(79,158)

The CODM make decisions according to operating results of each segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. SEGMENT INFORMATION *(Continued)*

	Packaging products business		Treasury investment business		Chlamydomonas reinhardtii products business		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
								(Re-presented)
Other segment information:								
Fair value (gain)/loss of financial assets at fair value through profit or loss (not held for trading), net								
– operating segment	-	-	(129,742)	23,763	-	-	(129,742)	23,763
– unallocated	-	-	-	-	-	-	526	14,361
							(129,216)	38,124
Depreciation of property, plant and equipment								
– operating segment	331	208	-	-	11,371	11,980	11,702	12,188
– unallocated	-	-	-	-	-	-	19	18
							11,721	12,206
Depreciation of right-of-use assets								
– operating segment	7,226	9,532	-	-	1,744	1,966	8,970	11,498
– unallocated	-	-	-	-	-	-	1,479	2,093
							10,449	13,591
Government grant	-	-	-	-	(221)	(1,023)	(221)	(1,023)
Capital expenditure	-	792	-	-	1,101	2,217	1,101	3,009
Bank interest income	(10)	(54)	-	-	(2)	(3)	(12)	(57)
(Gain)/loss on disposal/written off of property, plant and equipment	-	3	-	-	(1,715)	-	(1,715)	3
(Reversal of)/provision for impairment loss on trade receivables, net	-	(111)	-	-	(252)	2,452	(252)	2,341
Loss/(gain) on early termination of lease	375	(169)	-	-	-	-	375	(169)
Provision for/(reversal of) impairment loss on loan and interest receivables	-	-	1,756	(1,598)	-	-	1,756	(1,598)
Provision for impairment loss on property, plant and equipment	-	-	-	-	2,698	-	2,698	-
Provision for impairment loss on right-of-use assets	1,884	-	-	-	917	-	2,801	-
Provision for impairment loss on inventories	-	-	-	-	3,539	544	3,539	544

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. SEGMENT INFORMATION *(Continued)*

Revenue from external customers based on the locations of these customers is analysed as follows:

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Packaging products business segment		
– Hong Kong and the PRC	16,261	28,329
– Europe		
– Switzerland	13,589	6,665
– Netherlands	8,890	14,721
– Others	11,648	14,154
– North and South America	3,472	3,058
– Others	8,417	8,920
	62,277	75,847
Treasury investment business segment		
– Hong Kong and the PRC	(4,978)	7,666
Chlamydomonas reinhardtii products business segment		
– Hong Kong and the PRC	9,671	16,085
Total revenue of segments	66,970	99,598

The geographical locations of the Group's non-current assets, except for financial assets at fair value through profit or loss and loan receivables are analysed as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong	3,145	10,563
The PRC	239,047	263,364
	242,192	273,927

The non-current asset information above is based on the locations of the assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue derived from major customers, all of which were derived in the packaging products business segment which individually accounted for more than 10% of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Packaging products business segment:		
Customer A	9,461	22,951
Customer B (note)	8,696	N/A

Note: Revenue derived from this customer in 2024 was less than 10% of the Group's revenue for 2024.

5. REVENUE

An analysis of revenue

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, value of services rendered, net fair value (loss)/gain on financial assets at fair value through profit or loss, interest income from money lending business and service income.

An analysis of the Group's revenue is as follows:

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Manufacturing and sales of packaging products	62,277	75,847
Manufacturing and sales of Chlamydomonas reinhardtii products	9,671	16,085
	71,948	91,932
Fair value (loss)/gain on financial assets at fair value through profit or loss held for trading, net (note)	(5,234)	4,565
Interest income from money lending business	256	3,101
	66,970	99,598

Note: During the year ended 31 December 2025, the gross proceeds from the disposal of listed equity investment funds classified as financial assets at fair value through profit or loss of continuing operations for the year were HK\$24,128,000 (2024: nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. REVENUE (Continued)

An analysis of revenue (Continued)

The revenue within the scope of HKFRS 15 categorised by timing of revenue recognition is as follows:

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
At a point in time basis		
Manufacturing and sales of packaging products	62,277	75,847
Manufacturing and sales of <i>Chlamydomonas reinhardtii</i> products	9,671	16,085
	71,948	91,932

The Group's customer base is diversified and information about major customers is disclosed in note 4. Details of concentrations of credit risk are set out in note 41(b).

Revenue from contracts with customers

Performance obligations

Information about the Group's performance obligations is summarised below:

Manufacturing and sales of packaging products

The Group's contracts with customers for design, development, manufacture and sale of packaging products generally include one performance obligation. The Group has concluded that the performance obligation is satisfied at a point in time and revenue is recognized when the customers take possession of and accept the goods.

Chlamydomonas reinhardtii products

Revenue is recognised at a point in time when control of the goods has transferred, being when the goods have been delivered to the customers. A contract liability is recognised for receipt in advance for sales in which revenue has yet been recognised.

Transaction Price Allocated to the Remaining Performance Obligation for Contracts with Customer

All the Group's sales contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. OTHER INCOME, GAINS AND LOSSES, NET

An analysis of the Group's other income, gains and losses, net is as follows:

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations			
Bank interest income		12	57
Rental income		2,402	2,775
Imputed interest income on property rental deposits		9	16
Fair value gain/(loss) on financial assets at fair value through profit or loss (not held for trading), net			
– Unlisted equity investments	40	53,243	(38,124)
– Listed equity investments		75,973	–
Foreign exchange differences, net		(684)	694
Government grant		221	1,023
Gain/(loss) on disposal/written off of property, plant and equipment, net		1,715	(3)
Impairment loss on property, plant and equipment	14	(2,698)	–
Impairment loss on right-of-use assets	15	(2,801)	–
(Loss)/gain on early termination of lease		(375)	169
Others		1,883	442
		128,900	(32,951)
Discontinued operations			
Bank interest income		1	7
Loss on disposal/written off of property, plant and equipment, net		(1,152)	(1,030)
Gain on early termination of lease		–	107
Gain on lease modification		–	31

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Interest on lease liabilities	431	827
Interest on bank and other borrowings	20,707	8,862
Interest on margin loans payable	44	4
	21,182	9,693
Discontinued operations		
Interest on lease liabilities	82	251
Interest on bank and other borrowings	106	162

8. PROFIT/(LOSS) BEFORE TAX

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

	Notes	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations			
Auditor's remuneration		1,400	1,530
Cost of inventories sold (note)		45,455	61,952
Provision of impairment loss on inventories (included in cost of services and inventories sold)	19	3,539	544
Depreciation of property, plant and equipment	14	11,721	12,206
Depreciation of right-of-use assets	15	10,449	13,591
Short-term lease payments	15	972	2,002
Legal and professional fee (included in administrative expenses)		3,303	3,429
Transportation expenses		1,406	1,488
Employee benefits expenses (including Directors' remuneration (note 9)):			
Wages and salaries		34,625	36,555
Pension scheme contributions (including long service payment (note 34))		3,792	3,423
Equity-settled share option expenses		1,483	1,915
		39,900	41,893
(Reversal of over-provision of)/equity-settled share option expenses (note 35):			
Other participants		(197)	1,724
Discontinued operations			
Depreciation of property, plant and equipment	14	556	1,102
Depreciation of right-of-use assets	15	889	2,577

Note:

Included in cost of inventories sold are cost of purchased materials of HK\$31,643,000 (2024: HK\$41,178,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATIONS AND SENIOR MANAGEMENT'S EMOLUMENTS

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

Continuing operations and discontinued operations

	2025 HK\$'000	2024 HK\$'000
Fees	1,156	1,224
Other emoluments:		
Salaries, allowances and benefits in kind	5,960	5,760
Share-based payments	595	160
Pension scheme contributions	54	36
	7,765	7,180

(a) Executive Directors and Non-executive Directors

Year ended 31 December 2025	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Share- based payments HK\$'000	Total remuneration HK\$'000
Executive Directors:					
Mr. Wang Liang	–	3,600	18	149	3,767
Mr. Du Dong	–	1,400	18	186	1,604
	–	5,000	36	335	5,371
Non-executive Directors:					
Mr. Chen Hui	240	–	–	–	240
Ms. Tian Yuze	120	–	–	–	120
Mr. Jia Wenjie (resigned on 13 June 2025)	9	–	–	–	9
Mr. Zhang Lele	–	960	18	186	1,164
	369	960	18	186	1,533
	369	5,960	54	521	6,904

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION *(Continued)*

Continuing operations and discontinued operations *(Continued)*

(a) Executive Directors and Non-executive Directors *(Continued)*

Year ended 31 December 2024	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Share- based payments HK\$'000	Total remuneration HK\$'000
Executive Directors:					
Mr. Wang Liang	–	3,600	–	38	3,638
Mr. Du Dong	–	1,200	18	47	1,265
	–	4,800	18	85	4,903
Non-executive Directors:					
Mr. Chen Hui	240	–	–	–	240
Ms. Tian Yuze	120	–	–	–	120
Mr. Jia Wenjie	20	–	–	–	20
Mr. Zhang Lele	–	960	18	47	1,025
	380	960	18	47	1,405
	380	5,760	36	132	6,308

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

There was no performance-related incentive payments paid or payable to the directors during the year (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. DIRECTORS' REMUNERATION *(Continued)*

Continuing operations and discontinued operations *(Continued)*

(b) Independent Non-executive Directors

Year ended 31 December 2025	Fees HK\$'000	Share-based Payments/ (lapse of share option before vesting) HK\$'000	Total HK\$'000
Mr. Cheung Wing Ping	248	27	275
Mr. Ha Kee Choy Eugene	248	27	275
Mr. To Shing Chuen	248	27	275
Mr. Hu Guohua (resigned on 13 June 2025)	43	(7)	36
	787	74	861

Year ended 31 December 2024	Fees HK\$'000	Share-based payments HK\$'000	Total HK\$'000
Mr. Cheung Wing Ping	248	7	255
Mr. Ha Kee Choy Eugene	248	7	255
Mr. To Shing Chuen	248	7	255
Mr. Hu Guohua	100	7	107
	844	28	872

There were no other emoluments payable to the Independent Non-executive Directors during the year (2024: Nil).

During the year, no emolument was paid by the Group to any of the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2024: two directors), details of whose remuneration are set out in note 9 above. Details of the remuneration for the year of the remaining two (2024: three) highest paid employees are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries, allowances and benefits in kind	3,562	6,007
Share-based payments	–	118
Pension scheme contributions	164	230
	3,726	6,355

Emoluments paid or payable to members of senior management who are not directors were within the following bands:

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. INCOME TAX

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

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Current tax — Hong Kong Profits Tax		
Over-provision in respect of prior year	–	(344)
Current tax — PRC Corporate Income Tax		
Provision for the year	11	18
	11	(326)

Under the two-tiered profits tax rates regime in Hong Kong, the first HK\$2,000,000 of profits of the qualifying group entity are taxed at 8.25%, and profits above HK\$2,000,000 are taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime are taxed at a flat rate of 16.5%.

Qualipak Manufacturing Limited, a subsidiary of the Group, is qualified for the two-tiered profits tax rates regime and accordingly its profits tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK\$2,000,000, and profits of other group entities in Hong Kong are taxed at 16.5%.

In accordance with the PRC Corporate Income Tax Law, the PRC Corporate Income Tax is calculated at a statutory rate of 25% (2024: 25%) on the assessable profits of the group entities in the PRC.

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

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Continuing operations		
Profit/(loss) before tax	47,574	(79,158)
Tax at applicable statutory tax rates	3,907	(15,017)
Income not subject to tax	(23,220)	(3,914)
Expenses not deductible for tax	6,286	11,877
Utilisation of tax losses brought forward	–	(320)
Tax losses not recognised	13,038	7,392
Over-provision in respect of prior year	–	(344)
Income tax expense/(credit)	11	(326)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIVIDEND

The directors of the Company do not recommend, declare or pay any dividend in respect of the year (2024: Nil).

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

(a) From continuing operations and discontinued operations

The calculations of basic and diluted earnings/(loss) per share attributable to owners of the Company for the years ended 31 December 2025 and 2024 are based on the following data:

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Earnings/(loss):		
Earnings/(loss) for the purposes of basic and diluted earnings/(loss) per share from continuing and discontinued operations	26,799	(88,107)
	2025 Number of shares '000	2024 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	2,805,952	2,805,952
Effect of dilutive potential ordinary shares arising from: share options issued by the Company	2,428	–
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	2,808,380	2,805,952
Earnings per share:		
Basic earnings/(loss) per share (HK cents)	0.95	(3.14)
Diluted earnings/(loss) per share (HK cents)	0.95	(3.14)

The computation of diluted loss per share for the year ended 31 December 2024 does not assume the exercise of share options outstanding during the year as these options had an anti-dilutive effect on the basic loss per share amounts presented.

The denominators used for the purposes of calculating basic and diluted earnings/(loss) per share from both continuing and discontinued operations, continuing operations only, and discontinued operations only are the same figures and are disclosed in the table above.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(Continued)*

(b) From continuing operations

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Earnings/(loss):		
Earnings/(loss) for the purposes of basic and diluted earnings/(loss) per share from continuing operations	11,632	(78,899)
	2025 Number of shares '000	2024 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	2,805,952	2,805,952
Effect of dilutive potential ordinary shares arising from: share options issued by the Company	2,428	–
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	2,808,380	2,805,952
Earnings per share:		
Basic earnings/(loss) per share (HK cents)	0.41	(2.81)
Diluted earnings/(loss) per share (HK cents)	0.41	(2.81)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY *(Continued)*

(c) From discontinued operations

	2025 HK\$'000	2024 HK\$'000 (Re-presented)
Earnings/(loss):		
Earnings/(loss) for the purposes of basic and diluted earnings/(loss) per share from discontinued operations	15,167	(9,208)
	2025 Number of shares '000	2024 Number of shares '000
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic earnings/(loss) per share	2,805,952	2,805,952
Effect of dilutive potential ordinary shares arising from: share options issued by the Company	2,428	–
Weighted average number of ordinary shares for the purposes of diluted earnings/(loss) per share	2,808,380	2,805,952
Earnings per share:		
Basic earnings/(loss) per share (HK cents)	0.54	(0.33)
Diluted earnings/(loss) per share (HK cents)	0.54	(0.33)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Plant and machinery HK\$'000	Construction in progress HK\$'000	Buildings HK\$'000 (note)	Total HK\$'000
Cost							
At 1 January 2024	5,407	56,734	5,517	113,425	5,812	174,315	361,210
Additions	-	68	767	740	2,089	-	3,664
Disposal/written off	(153)	(48)	-	(4,422)	-	-	(4,623)
Transfer upon completion of construction in progress	-	-	-	409	(5,364)	4,955	-
Exchange realignment	(64)	(1,075)	(42)	(2,330)	(139)	(3,458)	(7,108)
As at 31 December 2024 and 1 January 2025	5,190	55,679	6,242	107,822	2,398	175,812	353,143
Additions	-	24	-	359	781	-	1,164
Disposal/written off	(111)	(550)	-	(1,925)	(967)	(13,892)	(17,445)
Transfer upon completion of construction in progress	-	-	-	401	(2,195)	1,794	-
Disposal of subsidiaries	(680)	(33,453)	(1,231)	(3,650)	(41)	-	(39,055)
Exchange realignment	72	1,014	37	2,862	24	4,459	8,468
At 31 December 2025	4,471	22,714	5,048	105,869	-	168,173	306,275
Accumulated depreciation and impairment							
At 1 January 2024	5,198	44,184	4,251	43,999	-	45,199	142,831
Depreciation provided for the year	36	1,122	557	6,207	-	5,386	13,308
Written back on disposals/written off	-	(15)	-	(3,143)	-	-	(3,158)
Exchange realignment	(62)	(844)	(24)	(923)	-	(965)	(2,818)
As at 31 December 2024 and 1 January 2025	5,172	44,447	4,784	46,140	-	49,620	150,163
Depreciation provided for the year	18	912	515	5,823	-	5,009	12,277
Written back on disposals/written off	(111)	(522)	-	(831)	-	(1,628)	(3,092)
Impairment for the year	-	153	-	846	-	1,699	2,698
Disposal of subsidiaries	(680)	(33,173)	(851)	(3,429)	-	-	(38,133)
Exchange realignment	72	742	29	1,304	-	1,409	3,556
At 31 December 2025	4,471	12,559	4,477	49,853	-	56,109	127,469
Carrying amount							
At 31 December 2025	-	10,155	571	56,016	-	112,064	178,806
At 31 December 2024	18	11,232	1,458	61,682	2,398	126,192	202,980

Note: As at 31 December 2025, the ownership certificates for buildings with aggregate carrying amount of HK\$112,064,000 (equivalent to RMB101,804,000) (2024: HK\$126,192,000 (equivalent to RMB117,686,000)) have not been obtained. The Group is in the process of applying for the building ownership certificates. Besides, buildings with carrying amount of HK\$20,270,000 (equivalent to RMB18,414,000) (2024: HK\$20,895,000 (equivalent to RMB19,486,000)) and machinery with carrying amount of HK\$53,675,000 (equivalent to RMB48,670,000) (2024: HK\$36,894,000 (equivalent to RMB34,407,000)) were pledged as securities of the Group's bank borrowings as at 31 December 2025, as further detailed in note 29(a) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

As at 31 December 2025, the Group had buildings of carrying amount of HK\$112,064,000 (equivalent to RMB101,804,000) (2024: HK\$126,192,000 (equivalent to RMB117,686,000)), plant and machinery of carrying amount of HK\$55,808,000 (equivalent to RMB50,698,000) (2024: HK\$60,735,000 (equivalent to RMB56,640,000)), and equipment of carrying amount of HK\$10,069,000 (equivalent to RMB9,147,000) (2024: HK\$10,788,000 (equivalent to RMB10,060,000)), leasehold lands of carrying amount of HK\$60,501,000 (equivalent to RMB54,961,000) (2024: HK\$61,262,000 (equivalent to RMB57,133,000)) belonging to the *Chlamydomonas reinhardtii* products business segment located in Lucheng District, Changzhi City, Shanxi Province, the People's Republic of China.

In addition, the Group's right-of-use assets relating to office buildings included office buildings with carrying amount of HK\$1,885,000 (2024: HK\$11,203,000) as at 31 December 2025 that were used by the Packaging CGU and Treasury Investment CGU (defined below) and treated as corporate assets for impairment assessment purposes.

Chlamydomonas Reinhardtii products business segment

For the years ended 31 December 2025 and 2024, the *Chlamydomonas Reinhardtii* products business segment recorded segment loss. Accordingly, the management of the Group concluded that there was impairment indication for property, plant and equipment and right-of-use assets of the Group used in this business and hence performed impairment assessment as at the end of the reporting period to estimate the recoverable amounts of these assets. The company operating the *Chlamydomonas Reinhardtii* products business segment constitutes a cash-generating unit (the "Manufacturing CGU") for the purpose of the impairment assessment. Accordingly, the relevant items of the buildings, plant and machinery, equipment and leasehold lands used in this segment are grouped together for the purpose of the impairment assessment.

The impairment assessments of the non-current assets belonging to the *Chlamydomonas reinhardtii* products business segment were based on the valuations from an independent professional qualified valuer as at 31 December 2025 and 2024, whereby the recoverable amounts of the items of property, plant and equipment and right-of-use assets were estimated individually and have been determined based on the higher of their value in use ("VIU") or fair values less costs of disposal ("FVLCD").

For the year ended 31 December 2025, the independent professional qualified valuer determined the recoverable amounts of the buildings, leasehold lands, plant and machinery and equipment belonging to the *Chlamydomonas reinhardtii* products business segment were HK\$112,064,000 (equivalent to RMB101,804,000), HK\$60,501,000 (equivalent to RMB54,961,000), HK\$55,808,000 (equivalent to RMB50,698,000) and HK\$10,069,000 (equivalent to RMB9,147,000) respectively, all of which were determined by reference to their FVLCD. These impairment assessments resulted in the recognition of impairment loss amounting to HK\$2,698,000 and HK\$917,000 for the year ended 31 December 2025 to write down the carrying amounts of the property, plant and equipment and right-of-use assets respectively belonging to the *Chlamydomonas reinhardtii* products business segment to their recoverable amounts as at 31 December 2025, which have been recognised in profit or loss for the year ended 31 December 2025.

For the year ended 31 December 2024, the independent professional qualified valuer determined the recoverable amounts of the buildings, leasehold lands, plant and machinery and equipment belonging to the *Chlamydomonas reinhardtii* products business segment were HK\$126,192,000 (equivalent to RMB117,686,000), HK\$60,501,000 (equivalent to RMB54,961,000), HK\$55,808,000 (equivalent to RMB50,698,000) and HK\$10,069,000 (equivalent to RMB9,147,000) respectively, all of which were determined by reference to their fair value less cost of disposal, which were close to their carrying values. Accordingly, no provision of impairment was provided for the year ended 31 December 2024.

For the years ended 31 December 2025 and 2024, in determining the recoverable amounts of the assets which were based on FVLCD, the valuation technique adopted for valuation of buildings and leasehold lands is income approach, and the valuation technique adopted for valuation of machinery and equipment is depreciated replacement cost. The key inputs for fair value of buildings and leasehold lands included market rent, return rate and annual growth rate, and the key inputs for fair value of machinery and equipment included allowance for physical deterioration and all forms of obsolescence and optimisation. The fair values of these assets are classified as level 3 fair value.

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For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Chlamydomonas Reinhardtii products business segment *(Continued)*

The fair value measurements of the Group's leasehold lands and buildings, machinery and equipment located at the People's Republic of China as at 31 December 2025 using significant unobservable input (Level 3) are disclosed as below.

Description	Fair value less costs of disposal at 31 December 2025		Valuation techniques	Significant unobservable input
	RMB'000	HK\$'000		
Leasehold lands and buildings	156,765	172,565	Income approach	1. Market daily rent RMB0.5 to 0.9 per square meter (Including land rent) 2. Return rate-4.1% 3. Annual growth rate – 2%
Machinery	50,698	55,808	Replacement cost	Allowance for physical deterioration and all forms of obsolescence and optimisation 1-41%
Equipment	9,147	10,069	Replacement cost	Allowance for physical deterioration and all forms of obsolescence and optimisation 16-41%

The costs of disposal determined by the independent professional qualified valuer was RMB11,401,000 (approximately HK\$12,550,000) for the year ended 31 December 2025 (2024: RMB12,913,000 (approximately HK\$13,847,000)).

Packaging products business segment and treasury investment business segment

All the companies within the packaging products business segment constitute a single CGU (the "Packaging CGU") for the purpose of impairment assessment. Accordingly, the relevant items of the property, plant and equipment and right-of-use assets used in this segment were grouped together for impairment assessment. Similarly, all the companies within the treasury investment business segment constitute a single CGU (the "Treasury Investment CGU"), and the relevant assets of this segment were grouped together for impairment assessment.

For the years ended 31 December 2025 and 2024, the packaging products business segment recorded segment loss. Accordingly, the management of the Group concluded that there was impairment indication for property, plant and equipment and right-of-use assets of the Group used in this business and hence performed impairment assessment as at the end of the reporting period to estimate the recoverable amounts of these assets. For the purpose of the impairment assessment, a portion of the right-of-use assets relating to office buildings, which are corporate assets, with a carrying amount before the current year's impairment loss of HK\$1,884,000 was allocated to the Packaging CGU, while another portion with carrying amount of HK\$1,885,000 was allocated to the Treasury Investment CGU. The management of the Group assessed the recoverable amounts of the Packaging CGU and Treasury Investment CGU based on the higher of their VIU or FVLCOB.

An impairment loss of HK\$1,884,000 was recognised during the year ended 31 December 2025 on the portion of right-of-use assets relating to office premises allocated to the Packaging CGU as the management of the Group were of the opinion that their recoverable amounts were minimal. The recoverable amounts of the Treasury Investment CGU were determined to be not lower than their carrying amounts (including the allocated corporate assets), accordingly, no provision for impairment was provided for the year ended 31 December 2025.

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15. RIGHT-OF-USE ASSETS

	Leasehold lands	Office buildings	Total
	HK\$'000 (note (i))	HK\$'000 (note (ii))	HK\$'000
As at 31 December 2025			
Carrying amount	60,501	2,885	63,386
As at 31 December 2024			
Carrying amount	61,262	15,934	77,196
For the year ended 31 December 2025			
Depreciation charge	1,441	9,897	11,338
For the year ended 31 December 2024			
Depreciation charge	1,447	14,721	16,168

	Year ended 31 December 2025	Year ended 31 December 2024
	HK\$'000	HK\$'000
Expense relating to short-term leases and other leases with lease terms end within 12 months	972	2,002
Impairment loss on right-of-use assets (notes 6 and 14)	(2,801)	–
Total cash outflow for leases	13,632	15,504
Additions to right-of-use assets for leases	2,823	13,938
Effect on lease modification	(805)	973
Derecognised upon lease termination	(461)	11,134
Disposal of subsidiaries (note 44)	(2,908)	–

Notes:

- (i) The Group has obtained the land use right certificates in relation to two parcels of leasehold lands situated in Lucheng District, Changzhi City, Shanxi Province, PRC, on 27 August 2021 and 22 October 2021, respectively. The costs of these two leasehold lands were HK\$29,615,000 (equivalent to RMB24,233,000), with lease term of 50 years; and HK\$57,667,000 (equivalent to RMB47,187,000), with lease term of 50 years, respectively, as at dates of acquisition.

As at 31 December 2025, the Group's leasehold lands with carrying amounts of HK\$60,501,000 (equivalent to RMB54,961,000) (2024: HK\$61,262,000 (equivalent to RMB57,133,000)) were pledged as securities of the Group's bank borrowings, as further detailed in note 29(a) to the consolidated financial statements.

- (ii) For both years, the Group, as a lessee, leases various offices for its operations. Lease contracts are entered into for fixed terms of 1 year to 2 years (2024: 1 year to 3 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Besides, the Group, as a lessor, leases certain of its office premises under lease arrangements. The leases for the office premises are negotiated for a term of one year. There is no future minimum lease payment receivable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INTANGIBLE ASSETS

	Patent HK\$'000	Development Costs HK\$'000 (note)	Total HK\$'000
Cost			
At 1 January 2024	2,776	24,374	27,150
Exchange realignment	(55)	(483)	(538)
At 31 December 2024 and 1 January 2025	2,721	23,891	26,612
Disposal of subsidiaries	(2,762)	(24,247)	(27,009)
Exchange realignment	41	356	397
At 31 December 2025	–	–	–
Accumulated amortisation			
At 1 January 2024	2,776	24,374	27,150
Exchange realignment	(55)	(483)	(538)
At 31 December 2024 and 1 January 2025	2,721	23,891	26,612
Disposal of subsidiaries	(2,762)	(24,247)	(27,009)
Exchange realignment	41	356	397
At 31 December 2025	–	–	–
Carrying amount			
At 31 December 2025	–	–	–
At 31 December 2024	–	–	–

Note: The development costs were internally generated for the QR code business. As at 31 December 2025, the QR code CGU as defined in note 17, was disposed of. See note 44 for further details.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

17. GOODWILL

	2025 HK\$'000	2024 HK\$'000
Cost		
At 1 January	569,947	569,947
Disposal of subsidiaries	(569,947)	–
At 31 December	–	569,947
Accumulated impairment losses		
At 1 January	569,947	569,947
Disposal of subsidiaries	(569,947)	–
At 31 December	–	569,947
Net carrying amount		
At 31 December	–	–

The goodwill had been allocated to a cash-generating unit (“CGU”) comprising a group of subsidiaries engaged in the provision of QR code on product packaging (the “QR code CGU”). The allocated goodwill of QR code CGU was fully impaired in previous years and accordingly there was nil carrying amount of goodwill in QR code CGU as of 31 December 2025 and 2024.

As at 31 December 2025, the QR code CGU was disposed of. See note 44 for further details.

Notes to the Consolidated Financial Statements

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18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Non-current assets		
Unlisted equity investments, at fair value (note (i))		
Company A (note (ii))	10,382	10,196
Company B (note (iii))	–	–
Company C (note (iv))	653	1,218
Company D (note (v))	6,579	7,830
Company E (note (vi))	64,510	28,544
Company F (note (vii))	–	526
Company G (note (viii))	14,485	10,987
Company H (note (ix))	18,290	11,651
Company I (note (x))	48,610	24,950
Company J (note (xi))	17,669	–
Listed equity investments, at fair value	97,790	–
	278,968	95,902
Current assets		
Listed equity investments held for trading, at fair value	–	51,180
Wealth management products (note (xii))	–	2,147
	–	53,327

Notes:

- (i) As at 31 December 2025, the unlisted equity investments relate to investments in ten private entities (2024: nine), which were intended to be held for long-term strategic purpose at the time of acquisition. The investee private entities are engaged in the provision of advisory and financial services, property holding, research and development and marketing of micro-algae products in the United States of America, securities brokerage and assets management, investment in securities trading and money lending. Details of the fair value measurement of these investments are disclosed in note 40.
- (ii) As at 31 December 2025, the Group's equity interest in Company A, which is principally engaged in securities trading in Hong Kong and investment holding business, was approximately 2.46% (2024: 2.56%). The investment held mainly represents financial service companies, which provide securities brokerage service and money lending business in Hong Kong.
- (iii) As at 31 December 2025, the Group's equity interest in Company B, which is principally engaged in the business of investment holding, was approximately 2.95% (2024: 2.95%). Such investment was fully impaired as at 31 December 2025 and 2024 (note 40). The investment held mainly are financial service companies, which provide securities brokerage service and money lending business in Hong Kong.
- (iv) As at 31 December 2025, the Group's shareholding in Company C, which is principally engaged in integrated financial services, securities brokerage services, money lending, securities and other direct investments, was approximately 0.10% (2024: 0.10%).
- (v) As at 31 December 2025, the Group's equity interest in Company D, which is principally engaged in money lending business, was approximately 11.08% (2024: 11.08%).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(Continued)*

Notes: *(Continued)*

- (vi) As at 31 December 2025, the Group's equity interest in Company E, which is principally engaged in the provision of finance and money lending business in Hong Kong, was approximately 17.61% (2024: 17.61%).
- (vii) As at 31 December 2025, the Group's equity interest in Company F, which is principally engaged in research and development and marketing of microalgae products in the United States of America, was approximately 3.73% (2024: 3.73%). Such investment was fully impaired as at 31 December 2025 (note 40).
- (viii) As at 31 December 2025, the Group's equity interest in Company G, which is principally engaged in securities brokerage and asset management business in Hong Kong, was approximately 2.97% (2024: 2.97%).
- (ix) As at 31 December 2025, the Group's equity interest in Company H, which is principally engaged in securities investment and investment holding business in Hong Kong, was approximately 4.20% (2024: 5.1%).
- (x) As at 31 December 2025, the Group's equity interest in Company I, which is principally engaged in securities investment and investment holding business in Hong Kong, was approximately 11.33% (2024: 10.29%).
- (xi) As at 31 December 2025, the Group's equity interest in Company J, which is principally engaged in securities investment and investment holding business, was approximately 2.09% (2024: nil). The investment held mainly represents financial service companies, which provide securities trading business in Hong Kong.
- (xii) Included in wealth management products ("WMPs") as at 31 December 2024 were the Group's investments in one WMP provided by financial institutions in the PRC, of fair value of approximately HK\$2,147,000 (equivalent to RMB2,002,000) as at 31 December 2024. The wealth management product had no maturity dates, with return in dividend derived from investments in financial products, bonds and currencies. The WMPs had been sold during the year ended 31 December 2025.

19. INVENTORIES

	2025 HK\$'000	2024 HK\$'000
Raw materials	2,838	3,048
Work in progress	5,817	4,794
Finished goods	9,586	16,743
	18,241	24,585

All of the inventories are carried at lower of cost or net realisable value as at 31 December 2025 and 2024 respectively.

As at 31 December 2025, the gross carrying amount of inventories is HK\$22,324,000 (2024: HK\$25,129,000) and provision for impairment loss of HK\$4,083,000 as at 31 December 2025 (2024: HK\$544,000), in which the provision for impairment loss for the year arose due to slow-moving inventories of certain *Chlamydomonas reinhardtii*, micro-algae and related products as a result of unstable market demand.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. TRADE RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	11,730	37,319
Less: Impairment loss allowance (note 41(b))	(2,269)	(15,035)
	9,461	22,284

The Group's trading terms with its customers are mainly on credit, except for new customers where payment in advance is normally required. The credit period generally ranges from 30 to 90 days. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	3,226	12,971
1 to 2 months	2,182	2,287
2 to 3 months	2,034	3,272
Over 3 months	2,019	3,754
	9,461	22,284

Further details on the Group's credit policy and credit risk arising from trade debtors are set out in note 41(b).

21. PREPAYMENTS, CONTRACT COSTS, DEPOSITS AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Prepayments	3,435	4,212
Contract costs	–	5,515
Deposits	2,519	3,869
Value added tax recoverable	22,123	23,287
Other receivables (note)	20,904	3,997
	48,981	40,880

Note: Included in other receivables are consideration receivable of HK\$16,311,000 as at 31 December 2025 (2024: nil) for disposal of property, plant and equipment.

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22. LOAN AND INTEREST RECEIVABLES

The exposure of the Group's fixed rate loan to interest rate risks and their contractual maturity dates are as follows:

	2025 HK\$'000	2024 HK\$'000
Unsecured loan and interest receivables (note a)	17,751	16,555
Less: Impairment loss allowance (note a)	(1,920)	(1,131)
	15,831	15,424
Analysed for reporting purpose as:		
Current portion	15,632	15,236
Non-current portion	199	188

Note:

- (a) As at 31 December 2025, unsecured loan and interest receivables of approximately HK\$2,586,000 (2024: HK\$15,424,000) were due from two borrowers (2024: four borrowers) and will mature within one to four years (2024: mature within one to five years). The directors of the Company regularly review and assess the credit risk of the counterparties. Since these receivables are not past due, and there was no historical default record, the directors of the Company consider that the Group's credit risk is not significant after considering the financial background and condition of the counterparties.

The range of effective interest rates which are equal to contractual interest rates on the Group's above-mentioned loan and interest receivables are as follows:

	Effective interests rate per annum	
	2025	2024
Unsecured loan and interest receivables	6%	6%-7%

As at 31 December 2025, the remaining unsecured loan receivable with carrying amount of approximately HK\$13,245,000 (2024: nil) was due from one borrower (2024: nil) and represents the right of loan receivable with outstanding principal amount of HK\$35,123,000, which was acquired by the Group from an independent third party at consideration of HK\$15,000,000 in July 2025. This loan receivable is unsecured and interest-free, and was matured in October 2025. The directors of the Company consider that the loan receivable was credit-impaired at the date of purchase and as at 31 December 2025.

Analysis of changes in the corresponding credit loss allowance is as follow:

	HK\$'000
Balance at 1 January 2024	2,729
Reversal of impairment loss on unsecured loan and interest receivables	(1,598)
Balance at 31 December 2024 and 1 January 2025	1,131
Impairment loss on unsecured loan and interest receivables	1,756
Derecognition of impairment loss arising from the assignment of loan receivables as partial consideration for subscription of a financial asset at FVTPL	(967)
Balance at 31 December 2025	1,920

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23. RESTRICTED BANK DEPOSITS

	2025 HK\$'000	2024 HK\$'000
Restricted bank deposits	–	1,424

As at 31 December 2024, restricted bank deposits of approximately HK\$1,424,000 (equivalent to RMB1,327,000) included in current assets were restricted for use in relation to the litigation proceedings related to the QR Code CGU. The likely outcome of these contingent liabilities, litigations or other legal proceedings could not be ascertained as at 31 December 2024, but the directors of the Company believe that any possible legal liability which may be incurred from the aforesaid cases would not have any material impact on the financial position of the Group as at 31 December 2024. The bank deposits were disposed of in the discontinued operations during the year ended 31 December 2025, see note 44 for further details.

24. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

(a) Cash and cash equivalents

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	5,063	16,317

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi (“RMB”) amounted to HK\$1,255,000 (2024: HK\$7,049,000). RMB is not freely convertible into other currencies, however, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

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24. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's major liabilities arising from financing activities, including both cash and non-cash changes.

	Lease liabilities (Note 28) HK\$'000	Bank and other borrowings (Note 29) HK\$'000	Amount due to a director (Note 29) HK\$'000	Amount due to a shareholder of the Company (Note 29) HK\$'000	Margin loans payable (Note 30) HK\$'000	Total HK\$'000
At 1 January 2025	16,300	366,125	97,192	24,632	2,164	506,413
Financing cash flows						
Repayment of lease liabilities	(9,660)	-	-	-	-	(9,660)
Advance from a director	-	-	1,860	-	-	1,860
Advance from a shareholder of the Company	-	-	-	921	-	921
Addition of bank and other borrowings, net	-	31,030	-	-	-	31,030
Margin loan repaid, net	-	-	-	-	(2,164)	(2,164)
	(9,660)	31,030	1,860	921	(2,164)	21,987
Other changes						
Interest expenses (note 7)	513	20,813	-	-	44	21,370
Interest paid	(513)	(9,123)	-	-	(44)	(9,680)
New leases	1,023	-	-	-	-	1,023
Effect of lease modification	(805)	-	-	-	-	(805)
Effect of early termination	(486)	-	-	-	-	(486)
Disposal of subsidiaries (note 44)	(3,083)	(8,850)	-	-	-	(11,933)
Exchange difference	595	9,745	-	-	-	10,340
At 31 December 2025	3,884	409,740	99,052	25,553	-	538,229

During the year ended 31 December 2025, the non-cash changes mainly represented accrued lease payment of nil (2024: HK\$2,220,000) included in "other payables and accruals" as disclosed in note 27.

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24. CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION *(Continued)*

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

	Lease liabilities (Note 28) HK\$'000	Bank and other borrowings (Note 29) HK\$'000	Amount due to a director (Note 29) HK\$'000	Amount due to a shareholder of the Company (Note 29) HK\$'000	Margin loans payable (Note 30) HK\$'000	Total HK\$'000
At 1 January 2024	28,565	356,344	94,392	18,658	–	497,959
Financing cash flows						
Repayment of lease liabilities	(13,501)	–	–	–	–	(13,501)
Advance from a director	–	–	2,800	–	–	2,800
Advance from a shareholder of the Company	–	–	–	8,119	–	8,119
Repayment of bank and other borrowings, net	–	16,267	–	–	–	16,267
Margin loan repaid, net	–	–	–	–	2,164	2,164
	(13,501)	16,267	2,800	8,119	2,164	15,849
Other changes						
Interest expenses (note 7)	1,078	9,024	–	–	4	10,106
Interest paid	(1,078)	(8,619)	–	–	(4)	(9,701)
New leases	13,938	–	–	–	–	13,938
Effect of lease modification	(1,004)	–	–	–	–	(1,004)
Effect of early termination	(11,554)	–	–	–	–	(11,554)
Transfer of lease liabilities to other payables	(2,220)	–	–	–	–	(2,220)
Waiver of amount due to a shareholder of the Company (note 33(b)(iv))	–	–	–	(2,145)	–	(2,145)
Exchange difference	2,076	(6,891)	–	–	–	(4,815)
At 31 December 2024	16,300	366,125	97,192	24,632	2,164	506,413

25. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	5,017	5,989
1 to 2 months	1,365	1,194
2 to 3 months	740	383
Over 3 months	684	4,962
	7,806	12,528

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 60 days.

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26. CONTRACT LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Contract liabilities		
Billings in advance of performance		
— QR code business (note)	—	11,908
— Packaging products business	5,293	9,031
— Chlamydomonas reinhardtii products business	262	1,217
	5,555	22,156

Note: QR code business includes the sales of QR code packaging products and sales of QR code solutions, which was disposed of during the year ended 31 December 2025 (note 44).

Typical payment terms which impact on the amount of contract liabilities recognised are as follows:

QR code packaging products

The Group typically received a deposit on acceptance of the customers' order. The amount of deposits on acceptance of orders was assessed on a case-by-case basis before work commenced.

The remainder of the consideration was payable on the earlier of the delivery of the finished goods and notice from the customer to cancel the order.

When the Group received a deposit before the Group's relevant activity commenced, this would give rise to contract liabilities at the start of a contract until the revenue was recognised.

QR code solutions

The Group received upfront deposit or initial payments from customers before the development activity commenced according to the stage of payment schedules in the contract. The upfront deposit or initial payments on acceptance of orders was assessed on a case-by-case basis before work commenced. The amount received from customers would give rise to contract liabilities until revenue was recognised when the performance obligation was satisfied.

Packaging products

The Group receives payments from new customers on acceptance of new order. The remainder of the consideration is payable on the earlier of the delivery of the finished goods and the notice from the customer to cancel the order. If the customer cancels the order, then the Group is immediately entitled to receive payment for work done to date.

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26. CONTRACT LIABILITIES *(Continued)*

Chlamydomonas reinhardtii products

When the Group receives a deposit before the delivery of the goods, this will give rise to contract liabilities, until the revenue recognised on the relevant contract exceeds the amount of the deposit.

Movements in contract liabilities are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	22,156	18,883
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 year	(15,072)	(18,616)
Increase in contract liabilities as a result of billing in advance	2,785	8,417
Increase in contract liabilities as a result of receiving sales deposits during the year	7,626	13,472
Disposal of subsidiaries (note 44)	(11,940)	–
At 31 December	5,555	22,156

The amount of billings in advance of performance and forward sales deposits and instalments received are expected to be recognised as income within one year.

27. OTHER PAYABLES AND ACCRUALS

	2025 HK\$'000	2024 HK\$'000
Other payables	19,844	30,803
Accruals	20,201	18,894
	40,045	49,697

Other payables and accruals, mainly represented accrued salaries, which are normally settled within three months. Included in other payables are construction payables of HK\$11,391,000 (2024: HK\$14,739,000), for the construction of the Chlamydomonas reinhardtii and related products facilities in Lucheng District, Changzhi City, Shanxi Province, PRC.

28. LEASE LIABILITIES

	2025 HK\$'000	2024 HK\$'000
Lease liabilities		
Within one year	3,531	10,129
Within a period of more than one year but not more than two years	353	6,171
	3,884	16,300
Less: Amount due for settlement within 12 months shown under current liabilities	(3,531)	(10,129)
Amount due for settlement after 12 months shown under non-current liabilities	353	6,171

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29. BANK AND OTHER BORROWINGS/AMOUNT DUE TO A DIRECTOR/A SHAREHOLDER OF THE COMPANY

(a) Bank and other borrowings

	2025 HK\$'000	2024 HK\$'000
Secured bank borrowings	53,738	68,739
Secured other borrowings	22,365	–
Unsecured other borrowings	333,637	297,386
	409,740	366,125

Details of the repayment schedule in respect of the bank and other borrowings, are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year or on demand	409,740	339,318
Within a period of more than one year but not more than two years	–	26,807
	409,740	366,125
Less: Amounts due for settlement within 12 months shown under current liabilities	(409,740)	(339,318)
Amounts due for settlement after 12 months shown under non-current liabilities	–	26,807

Movements in bank and other borrowings are as follows:

	2025 HK\$'000	2024 HK\$'000
At 1 January	366,125	356,344
New bank and other borrowings raised	105,516	91,853
Interest expenses	20,813	9,024
Repayment of bank and other borrowings	(74,486)	(75,586)
Disposal of subsidiaries (note 44)	(8,850)	–
Interest paid	(9,123)	(8,619)
Exchange realignment	9,745	(6,891)
At 31 December	409,740	366,125

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29. BANK AND OTHER BORROWINGS/AMOUNT DUE TO A DIRECTOR/A SHAREHOLDER OF THE COMPANY *(Continued)*

(a) Bank and other borrowings *(Continued)*

The Group's secured bank borrowings as at 31 December 2025 are secured by way of the following:

- a. mortgages over the Group's buildings which had an aggregate carrying value at the end of the reporting period of HK\$20,270,000 (equivalent to RMB18,414,000 (2024: HK\$20,895,000 (equivalent to RMB19,485,000)) (note 14);
- b. mortgages over the Group's leasehold lands which had an aggregate carrying value at the end of the reporting period of HK\$60,501,000 (equivalent to RMB54,961,000) (2024: HK\$61,262,000 (equivalent to RMB57,132,000)) (note 15(i)); and
- c. mortgages over the Group's machinery which had an aggregate carrying value at the end of the reporting period of HK\$53,675,000 (equivalent to RMB48,670,000) (2024: HK\$36,894,000 (equivalent to RMB34,407,000)).

The secured other borrowings which had an aggregate carrying value at the end of the reporting period of HK\$22,365,000 were secured by shares of several indirectly-owned subsidiaries of the Company.

As at 31 December 2025, unsecured other borrowings with principal amounts of RMB60,000,000 (equivalent to HK\$66,048,000) and RMB90,000,000 (equivalent to HK\$99,072,000) which were overdue since maturity dates of 7 June 2025 and 11 December 2025 respectively and the Group has been negotiating with the Lender for the extension of the borrowings. See note 1 (b)(ii) for further details.

Due to breach of loan covenants and/or occurrence of default events (including the breach of cross-default clauses), certain bank and other borrowings with the aggregate carrying amount of approximately HK\$229,823,000, in which the aggregate amount of HK\$176,144,000 was past due, and aggregate amounts of HK\$53,679,000 were repayable within one year from the end of reporting date based on the agreed scheduled repayments set out in the respective loan agreements had been due for immediate payment.

Secured bank borrowings carry interest at rates ranging from 0.36% to 0.60% per month (2024: 0.29% to 0.63%) and are repayable within one year (2024: repayable within one to two years). Unsecured other borrowings carry interest at rates ranging from 0.42% to 1% per month (2024: 0.42% to 1% per month) and are repayable within one years (2024: repayable within one to two years). Secured other borrowings carry interest ranging from 0.42% to 1% per month (2024: nil) and are repayable within one years (2024: nil).

(b) Amount due to a director/a shareholder of the Company

The amounts are unsecured, non-interest bearing, non-trade nature and repayable on demand.

30. MARGIN LOANS PAYABLE

As at 31 December 2024, the margin loans payable were secured by the listed equity securities held under the margin accounts, with a total market value of approximately HK\$51,180,000 (note 18).

	2025		2024	
	HK\$'000	Effective interest rate (%) p.a.	HK\$'000	Effective interest rate (%) p.a.
Within one year	–	–	2,164	5%-10%

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31. DEFERRED TAX LIABILITIES

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	2025 HK\$'000	2024 HK\$'000
Deferred tax assets	–	–
Deferred tax liabilities	–	–
	–	–

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between PRC and the jurisdiction of the foreign investors. For the Group, the applicable rate is 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in PRC in respect of earnings generated from 1 January 2008.

At 31 December 2025 and 2024, no deferred tax liabilities have been recognised for withholding taxes as the Group's subsidiaries established in PRC do not have any unremitted retained earnings as at 31 December 2025 and 2024.

The Group has tax losses arising in Hong Kong of HK\$173,197,000 (2024: HK\$495,162,000) (subject to agreement by the Inland Revenue Department) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group also has tax losses arising in the PRC of HK\$75,843,000 (2024: HK\$356,814,000) that will expire in 2026 to 2030 years for offsetting against future taxable profits. No deferred tax assets have been recognised in respect of tax losses for the years ended 31 December 2025 and 2024 as it is not considered probable that there would be sufficient future taxable profits to utilise such tax losses.

At 31 December 2024 and 2025, the Group recognised deferred tax assets related to lease liabilities amounted to HK\$2,785,000 and HK\$850,000 respectively. At 31 December 2024 and 2025, the Group recognised a deferred tax liabilities related to right-of-use assets amounted to HK\$2,785,000 and HK\$850,000 respectively.

After recognising a deferred tax asset to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, and a deferred tax liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities, the net amount of deferred tax was Nil as at 31 December 2024 and 2025.

At 31 December 2025, the Group has deductible temporary difference in relation to provision of impairment of property, plant and equipment, right-of-use assets, inventories, loan receivables, trade and other receivables amounted to HK\$10,542,000 (2024: HK\$2,850,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary difference can be utilised.

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32. SHARE CAPITAL

	Number of shares		Share capital	
	2025 '000	2024 '000	2025 HK\$'000	2024 HK\$'000
Ordinary share of HK\$0.04 each				
Authorised:				
At beginning and end of year	12,500,000	12,500,000	500,000	500,000
Issued and fully paid:				
At beginning and end of year	2,805,592	2,805,592	112,238	112,238

33. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

(a) Share premium

The application of share premium account is governed by section 40 of the Companies Act 1981 of Bermuda.

(b) Capital reserve

The Group's capital reserve represents the followings:

- (i) the deemed capital contribution from the then controlling shareholder pursuant to the reorganisation in 2012;
- (ii) the deemed capital contribution to a non-wholly owned subsidiary;
- (iii) the difference between the carrying amount of the non-controlling interests and the fair value of non-controlling interests pursuant to the acquisition of Hope Capital Limited in 2020; and
- (iv) the waiver of amount due to a shareholder of the Company amounting to HK\$2,145,000 (equivalent to RMB2,000,000) in 2024.

(c) Contributed surplus

The contributed surplus of the Group represents the difference between the capital contributions from the equity holders of the subsidiaries now comprising the Group before the completion of the reorganisation in 2012 and the par value of the Company's shares issued to the then controlling shareholder for the acquisition of a subsidiary pursuant to the reorganisation.

(d) Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2 to the consolidated financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire after the vesting period.

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34. RETIREMENT BENEFITS PLANS

Obligation to pay Long Service Payment Obligation under Hong Kong Employment Ordinance (Chapter 57)

For the Group's entities operating in Hong Kong, pursuant to the Employment Ordinance, Chapter 57, the Group has the obligation to pay Long Service Payment ("LSP") to qualifying employees in Hong Kong under certain circumstances (e.g. dismissal by employers or upon retirement), subject to a minimum of 5 years employment period, based on the following formula:

Last monthly wages (before termination of employment) \times 2/3 \times Years of service

Last monthly wages are capped at HK\$22,500 while the amount of long service payment shall not exceed HK\$390,000. This obligation is accounted for as a post-employment defined benefit plan.

Furthermore, the Mandatory Provident Fund Schemes Ordinance passed in 1995 permits the Group to utilise the Group's mandatory MPF contributions, plus/minus any positive/negative returns thereof, for the purpose of offsetting LSP payable to an employee (the "Offsetting Arrangement").

The Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "Amendment Ordinance") was gazetted on 17 June 2022, which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset the LSP. The Abolition will officially take effect on the Transition Date (i.e. 1 May 2025). Separately, the Government of the HKSAR is also expected to introduce a subsidy scheme to assist employers for a period of 25 years after the Transition Date on the LSP payable by employers up to a certain amount per employee per year.

Under the Amendment Ordinance, the Group's mandatory MPF contributions, plus/minus any positive/negative returns, after the Transition Date can continue to be applied to offset the pre-Transition Date LSP obligation but are not eligible to offset the post-Transition Date LSP obligation. Furthermore, the LSP obligation before the Transition Date will be grandfathered and calculated based on the last monthly wages immediately preceding the Transition Date and the years of service up to that date.

Movements in the present value of unfunded LSP obligation in the current year were as follows:

	2025 HK\$'000	2024 HK\$'000
Opening unfunded obligation	–	–
Current service cost	59	–
Interest cost	16	–
Past service cost	436	–
Closing unfunded obligation	511	–

The average duration of the benefit obligation at 31 December 2025 is 19.27 years (2024: nil years).

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35. SHARE OPTION SCHEME

The Company adopted a share option scheme (the “2012 Scheme”) which became effective on 18 May 2012 for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the 2012 Scheme include (i) any director, officer, employee, consultant, professional, customer, supplier (whether of goods or services), agent, partner or adviser of or contractor to any member of the Group or its Related Group or a company in which the Group holds an interest or a subsidiary of such company (collectively the “Eligible Group”); or (ii) the trustee of any trust the beneficiary of which or any discretionary trust the discretionary objects of which include the Eligible Group; or (iii) a company beneficially owned by the Eligible Group. The 2012 Scheme was already expired on 17 May 2022.

On 2 June 2022, a share option scheme (the “2022 Scheme”) was passed by way of an ordinary resolution in the annual general meeting. On 13 June 2025, the 2022 Scheme was terminated and a new share option scheme (the “2025 Scheme”) was passed by way of an ordinary resolution in the annual general meeting. No further options may be granted under 2022 Scheme, but the provision of the 2022 Scheme shall remain in force and effect to the extent necessary to give effect to the exercise of any options granted prior to its termination or otherwise as may be required in accordance with the provisions of the 2022 Scheme. Options granted under the 2022 Scheme prior to such termination shall continue to be valid and exercisable in accordance with the rules of the 2022 Scheme. The 2025 Scheme does not impose minimum period requirement, each grant will be considered on an individual basis to achieve the purpose of the 2025 Scheme including retaining human resources that are valuable to the growth and development of the Group if the grantees are required to hold the share options for a certain period of time prior to vesting.

“Related Group” means (i) each of the substantial shareholders of the Company, and (ii) each associate and substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the Company or of a substantial shareholder referred to in (i) above, and (iii) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (ii) above, and (iv) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (iii) above, and (v) each associate or substantial shareholder or direct or indirect associated company or jointly-controlled entity of any of the foregoing entities referred to in (iv) above.

The maximum number of unexercised share options currently permitted to be granted under the 2012, 2022 and 2025 Schemes is an amount equivalent, upon their exercise, to 10% of the shares of the Company. The maximum number of shares issuable under the 2012, 2022 and 2025 Schemes to each eligible participant within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders approval in a general meeting.

Share options granted to a Director or substantial shareholder of the Company, or to any of their associate, are subject to approval in advance by the Independent Non-executive Directors. In addition, any share options granted to a substantial shareholder or an Independent Non-executive Directors of the Company, or to any of their associate, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the closing price of the Company’s shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 14 days from the date of offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, save that such period shall not be more than 10 years from the date of offer of the share options.

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35. SHARE OPTION SCHEME *(Continued)*

Pursuant to the 2012, 2022 and 2025 Scheme, details of share options granted to eligible participants were as follows:

Date of grant	Number of share options granted	Exercise price/ Adjusted exercise price
8/10/2020	47,000,000	0.40
16/11/2020	68,900,000	0.60
25/4/2022	14,314,750	1.34
30/9/2024	279,000,000	0.20

Movements of the options granted under the 2012, 2022 and 2025 Scheme, during the year were as follows:

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2024	Lapsed/ Cancelled during the year	Number of options outstanding at 31 December 2024	Lapsed/ cancelled during the year*	Number of options outstanding at 31 December 2025
Employees							
08/10/2020	0.40	8/10/2023 to 7/10/2028	2,500,000	-	2,500,000	(2,500,000)	-
08/10/2020	0.40	8/10/2024 to 7/10/2028	2,500,000	-	2,500,000	(2,500,000)	-
08/10/2020	0.40	8/10/2025 to 7/10/2028	2,500,000	-	2,500,000	(2,500,000)	-
08/10/2020	0.40	8/10/2026 to 7/10/2028	2,500,000	-	2,500,000	(2,500,000)	-
			10,000,000	-	10,000,000	(10,000,000)	-

As at 31 December 2025, no (2024: 5,000,000) share options were exercisable.

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35. SHARE OPTION SCHEME (Continued)

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2024	Lapsed/ Cancelled during the year	Number of options outstanding at 31 December 2024	Lapsed/ cancelled during the year	Number of options outstanding at 31 December 2025
Employees							
16/11/2020	0.60	16/11/2022 to 15/11/2027	3,399,993	-	3,399,993	-	3,399,993
16/11/2020	0.60	16/11/2023 to 15/11/2027	3,399,993	-	3,399,993	-	3,399,993
16/11/2020	0.60	16/11/2024 to 15/11/2027	3,400,014	-	3,400,014	-	3,400,014
			10,200,000	-	10,200,000	-	10,200,000
Other participants (Note)							
16/11/2020	0.60	16/11/2022 to 15/11/2027	16,666,666	-	16,666,666	-	16,666,666
16/11/2020	0.60	16/11/2023 to 15/11/2027	16,666,666	-	16,666,666	-	16,666,666
16/11/2020	0.60	16/11/2024 to 15/11/2027	16,666,668	-	16,666,668	-	16,666,668
			50,000,000	-	50,000,000	-	50,000,000

Note: The above "other participants" represented 3 consultants of the Group, namely technology consultant, strategic financial planning consultant and sales and marketing consultant – South Asia Region. 26,000,000, 12,000,000 and 12,000,000 share options were granted to them respectively. The Company considered that (i) technology consultant would be able to provide the latest information technology industry updates related to the Group's business and business advice for business improvements for the Group; (ii) strategic financial planning consultant would be able to make use of his investment bank connections and network in finding potential investors and projects for the Company; and (iii) sales and marketing consultant – South Asia Region would be able to provide the sales network related to the Group's businesses and introduce the new potential customers in South Asia Region to the Group, and whose contributions were expected to be beneficial to the Group.

As at 31 December 2025, 60,200,000 (2024: 60,200,000) share options were exercisable.

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2024	Lapsed/ Cancelled during the year	Number of options outstanding at 31 December 2024	Lapsed/ cancelled during the year*	Number of options outstanding at 31 December 2025
Employees							
25/4/2022	1.34	25/4/2023 to 24/4/2026	3,531,000	-	3,531,000	(3,228,500)	302,500
25/4/2022	1.34	25/4/2023 to 24/4/2027	2,437,500	(418,750)	2,018,750	(1,868,750)	150,000
25/4/2022	1.34	25/4/2024 to 24/4/2027	2,437,500	(418,750)	2,018,750	(1,868,750)	150,000
25/4/2022	1.34	25/4/2025 to 24/4/2027	2,437,500	(418,750)	2,018,750	(1,868,750)	150,000
25/4/2022	1.34	25/4/2026 to 24/4/2027	2,437,500	(418,750)	2,018,750	(1,868,750)	150,000
			13,281,000	(1,675,000)	11,606,000	(10,703,500)	902,500

As at 31 December 2025, 752,500 (2024: 7,568,500) share options were exercisable.

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35. SHARE OPTION SCHEME (Continued)

Date of grant	Exercise price HK\$	Exercisable period	Number of options outstanding at 1 January 2024	Granted during the year	Lapsed/Cancelled during the year	Number of options outstanding at 31 December 2024	Lapsed/cancelled during the year*	Number of options outstanding at 31 December 2025
Directors								
30/9/2024	0.20	1/1/2026 to 31/12/2028	-	3,929,400	-	3,929,400	(166,500)	3,762,900
30/9/2024	0.20	1/1/2027 to 31/12/2028	-	3,929,400	-	3,929,400	(166,500)	3,762,900
30/9/2024	0.20	1/1/2028 to 31/12/2028	-	3,941,200	-	3,941,200	(167,000)	3,774,200
			-	11,800,000	-	11,800,000	(500,000)	11,300,000
Employees								
30/9/2024	0.20	1/1/2026 to 31/12/2028	-	17,049,600	-	17,049,600	(266,400)	16,783,200
30/9/2024	0.20	1/1/2027 to 31/12/2028	-	17,049,600	-	17,049,600	(266,400)	16,783,200
30/9/2024	0.20	1/1/2028 to 31/12/2028	-	17,100,800	-	17,100,800	(267,200)	16,833,600
			-	51,200,000	-	51,200,000	(800,000)	50,400,000
Other Participants (Note)								
30/9/2024	0.20	1/1/2026 to 31/12/2028	-	71,928,000	-	71,928,000	(66,600,000)	5,328,000
30/9/2024	0.20	1/1/2027 to 31/12/2028	-	71,928,000	-	71,928,000	(66,600,000)	5,328,000
30/9/2024	0.20	1/1/2028 to 31/12/2028	-	72,144,000	-	72,144,000	(66,800,000)	5,344,000
			-	216,000,000	-	216,000,000	(200,000,000)	16,000,000

Note: The above "other participants" represented 14 service providers of the Group, who work for the Group as independent contractors where the continuity and frequency of their services are akin to those of employees in providing management services, marketing and promotion services for the Group's *Chlamydomonas reinhardtii*, micro-algae and related products business. Around 1,000,000 to 20,000,000 share options were granted to each of them respectively. The Company considered that the benefits from the services provided by the relevant grantees for the effectiveness of the Group's operation and the long-term business development are beneficial to the Group.

As at 31 December 2025, no (2024: nil) share options were exercisable.

* Lapsed share option was due to termination of employment or cooperative relationship. As the individual is no longer an employee nor service provider, the share options were lapsed.

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35. SHARE OPTION SCHEME *(Continued)*

The fair values of the share options granted on 8 October 2020 and 16 November 2020, 25 April 2022 and 30 September 2024, determined using the Binomial Option Pricing Model (the “Model”), were HK\$12,731,000, HK\$25,407,000, HK\$6,929,000 and HK\$8,732,000 respectively. The inputs into the Model and the estimated fair value of the share options are as follows:

Fair value from valuation schedule	8 October 2020	16 November 2020	25 April 2022	30 September 2024
Closing price of the shares	HK\$0.36	HK\$0.53	HK\$0.90	HK\$0.171
Exercise price	HK\$0.40	HK\$0.60	HK\$1.34	HK\$0.20
Dividend yield	Nil	Nil	Nil	Nil
Expected volatility	92.04%	94.06%	85.88% to 92.38%	91%
Risk-free interest rate	0.42%	0.33%	2.52% to 2.57%	2.51%
Fair value per share option	HK\$0.255 to HK\$0.283	HK\$0.348 to HK\$0.386	HK\$0.443 to HK\$0.545	HK\$0.0921 to HK\$0.1097

Expected volatility was estimated based on the historical volatilities of the Company’s share price while dividend yield was estimated by the historical dividend payment record of the Company.

During the year ended 31 December 2025, the Group recognised an expense of approximately HK\$1,286,000 (2024: HK\$3,639,000) as equity-settled share based payments in the consolidated statement of profit or loss with reference to their respective vesting period.

36. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly owned subsidiary of the Group that has material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business		Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK'000	HK'000	HK'000	HK'000				
Era Bright	Hong Kong	Hong Kong	40.29%	40.29%	24,457	1,924	53,335	28,878
Marvel Galaxy	BVI	BVI	21.00%	21.00%	11,474	(1,857)	25,154	13,680
					35,931	67	78,489	42,558

Summarised financial information in respect of each of the Group’s subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

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36. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

Era Bright and subsidiaries

a.	2025 HK\$'000	2024 HK\$'000
Current assets	14,305	115,681
Non-current assets	150,815	31,337
Current liabilities	(31,500)	(71,757)
Non-current liabilities	(1,242)	(3,586)
Non-controlling interests	(53,335)	(28,878)
Equity attributable to owners of Era Bright	79,043	42,797
b.	2025 HK\$'000	2024 HK\$'000
Revenue	55,086	83,984
Other income	79,561	3,018
Expenses	(74,718)	(82,569)
Profit for the year	59,929	4,433
Profit attributable to owners of Era Bright	35,472	2,509
Profit attributable to non-controlling interests	24,457	1,924
Profit for the year	59,929	4,433
c.	2025 HK\$'000	2024 HK\$'000
Net cash (outflow)/inflow from operating activities	(11,981)	39,718
Net cash outflow from investing activities	(2,164)	(44,787)
Net cash inflow/(outflow) from financing activities	4,137	(9,803)
Net cash outflow	(10,008)	(14,872)

d. Change in ownership in a subsidiary

On 29 November 2024, the Group disposed of its 7.92% shareholding of Era bright to an independent third party for a consideration of HK\$5,000,000. The Group reduced its ownership and equity interest to 59.71%. The consideration was received in cash. An amount of HK\$5,032,000 (being the proportionate share of the carrying amount of the net assets of Era Bright) had been transferred to non-controlling interests. The difference of HK\$32,000 between the increase in the non-controlling interests and the consideration received had been recognised in accumulated losses.

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36. DETAILS OF NON-WHOLLY OWNED SUBSIDIARIES THAT HAVE MATERIAL NON-CONTROLLING INTERESTS *(Continued)*

Marvel Galaxy and subsidiaries

a.	2025 HK\$'000	2024 HK\$'000
Current assets	–	–
Non-current assets	119,826	65,145
Current liabilities	(44)	–
Non-current liabilities	–	–
Non-controlling interests	(25,154)	(13,680)
Equity attributable to owners of Marvel Galaxy	94,628	51,465
b.	2025 HK\$'000	2024 HK\$'000
Revenue	–	–
Other income/(loss)	54,681	(9,251)
Expenses	(44)	(39)
Profit/(loss) for the year	54,637	(9,290)
Profit/(loss) attributable to owners of Marvel Galaxy	43,163	(7,433)
Profit/(loss) attributable to non-controlling interests	11,474	(1,857)
Profit/(loss) for the year	54,637	(9,290)

c. Change in ownership in a subsidiary

On 4 December 2024, the Group disposed of its 21% shareholding of Marvel Galaxy to an independent third party for a consideration of HK\$15,000,000. The Group reduced its ownership and equity interest to 79%. The consideration was received in cash. An amount of HK\$15,538,000 (being the proportionate share of the carrying amount of the net assets of Marvel Galaxy) had been transferred to non-controlling interests. The difference of HK\$538,000 between the increase in the non-controlling interests and the consideration received had been recognised in accumulated losses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

37. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Save as disclosed elsewhere in the consolidated financial statements, the following transactions with related parties took place during the year:

(a) Key management compensation

During both years, compensation of key management personnel represents directors' remuneration and those of senior staff as stated in notes 9 and 10 respectively.

(b) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2025 HK\$'000	2024 HK\$'000
Amount due to a director (note (i)) (Note 29(b))	99,052	97,192
Amount due to a shareholder of the Company (note (ii)) (Note 29(b))	25,553	24,632

Notes:

(i) Balance represents amount due to Mr. Wang Liang, director and substantial shareholder of the Company.

(ii) Balance represents amount due to Ms. Qiao Yanfeng, shareholder of the Company with approximately 5.35% equity interest in the Company.

38. OPERATING LEASE ARRANGEMENTS

As lessee

Commitments for lease payments on short-term leases for office and office equipment in Hong Kong and the PRC are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	736	2,713
Later than 1 year and no later than 5 years	288	–
	1,024	2,713

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VALUE OF FINANCIAL INSTRUMENTS

As at 31 December 2025 and 2024, except for financial assets at fair value through profit or loss as set out in note 18, financial assets and financial liabilities of the Company and the Group are measured at amortised cost.

Management has assessed that the fair values of cash and cash equivalents, trade receivables, trade payables, loan and interest receivables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, lease liabilities, bank and other borrowings and amount due to a director/a shareholder of the Company, approximate to their carrying amounts largely due to the short-term maturities of these instruments.

The Group's finance department headed by a director is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance department reports directly to the directors and the audit committee. At each reporting date, the finance department analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the directors. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

As at 31 December 2024, the fair value of private equity investment fund classified in Level 2 of the fair value measurement hierarchy was determined with reference to recent transaction prices and amounted to RMB2,002,000 (equivalent to approximately HK\$2,147,000). The private equity investment fund had been sold during the year ended 31 December 2025.

The fair values of four (2024: two) unlisted equity securities without an active market classified in Level 3 of the fair value measurement hierarchy were estimated by market approach on the basis of an analysis of the investee's financial position and results, risk profile and prospects and other factors, and further adjusted by a number of significant unobservable inputs including the market value of invested capital-to-total assets multiple, price-to-net assets multiple, and adjustment for a lack of marketability associated with the investments. Their fair values were estimated to be HK\$64,510,000 (2024: HK\$28,544,000), HK\$653,000 (2024: HK\$1,218,000), HK\$10,382,000 (2024: HK\$10,196,000) and HK\$17,669,000 (2024: nil) respectively, and were determined by the management based on the valuation from an independent professional qualified valuer as at 31 December 2025 (2024: one of the unlisted equity securities with fair value of HK\$10,196,000 was determined by the directors of the Company, the remaining two of the unlisted equity securities were determined by the management based on the valuation from an independent professional qualified valuer).

The fair value of one (2024: one) unlisted equity security without an active market classified in Level 3 of the fair value measurement hierarchy was estimated by asset-based approach on the basis of an analysis of the investee's financial position and results, risk profile and prospects and other factors, and further adjusted by a number of significant unobservable inputs including lack of control discount associated with the investment. The fair value was estimated to be HK\$48,610,000 (2024: HK\$24,950,000), and was determined by the directors of the Company as at 31 December 2025 and 2024.

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40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

As at 31 December 2024, the fair value of one unlisted equity security (with conversion feature) without an active market classified in Level 3 of the fair value measurement hierarchy was estimated by option pricing method, using a number of significant unobservable inputs including risk free rate, expected volatility and adjustment for a lack of marketability associated with the investment. Its fair value was estimated to be HK\$526,000 and was determined by the directors of the Company. As at 31 December 2025, the unlisted equity security was fully impaired.

The fair values of remaining four (2024: five) unlisted equity securities without an active market classified in Level 3 of the fair value measurement hierarchy were estimated by market approach on the basis of an analysis of the investees' financial position and results, risk profile and prospects and other factors, and further adjusted by a number of significant unobservable inputs including the market value of invested capital-to-total assets multiple, price-to-net assets multiple, and adjustment for a lack of marketability associated with the investments. Their fair values were estimated to be HK\$14,485,000 (2024: HK\$10,987,000), HK\$6,579,000 (2024: HK\$7,830,000), HK\$18,290,000 (2024: HK\$11,651,000), and one of the unlisted equity securities was fully impaired as at 31 December 2025 and 2024, respectively, and were determined by the directors of the Company as at 31 December 2025 and 2024.

The directors believe that the estimated fair values, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in profit or loss and other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The following table represents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation techniques as follows:

Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 valuations: Fair value measured using Level 2 i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

Level 3 valuations: Fair value measured using significant unobservable inputs.

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For the year ended 31 December 2025

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

As at 31 December 2025

Assets measured at fair value

	Fair value measurement using			Total HK\$'000	
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000		
	Financial assets at fair value through profit or loss:				
	Listed equity investments	97,790	–		–
Unlisted equity instruments	–	–	181,178		
				181,178	

Financial assets at fair value through profit or loss:

Listed equity investments	97,790	–	–	97,790
Unlisted equity instruments	–	–	181,178	181,178

As at 31 December 2024

Assets measured at fair value

	Fair value measurement using			Total HK\$'000	
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000		
	Financial assets at fair value through profit or loss:				
	Listed equity investments	51,180	–		–
Wealth management products (note)	–	2,147	–		
Unlisted equity instruments	–	–	95,902		
				95,902	

Note: The fair value of wealth management products is determined with reference to the mark-to-market statements published by the issuing bank as at the end of the reporting period.

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40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Information of level 3 fair value measurements

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

	Fair value As at 31 December		Valuation technique	Significant unobservable inputs	Range	Sensitivity of fair value to the inputs
	2025 HK\$'000	2024 HK\$'000				
Unlisted equity instruments (note 18)						
Company A	10,382	10,196	The value is based on market value of invested capital-to-total asset and price-to-net assets	Market value of invested capital-to-total asset multiple	0.37 to 0.59 (2024: 0.34 to 0.52)	5% increase in market value of invested capital-to-total asset multiple would result in increase in fair value by HK\$2,716,000 (2024: 5% increase in market value of invested capital-to-total asset multiple would result in increase in fair value by HK\$2,435,000)
Company C	653	1,218				
Company D	6,579	7,830				
Company E	64,510	28,544				
Company G	14,485	10,987				
Company H	18,290	11,651				
Company J	17,669	-				
				Price-to-net assets multiple	0.39 to 0.53 (2024: 0.38 to 0.43)	5% increase in price-to-net assets multiple would result in increase in fair value by HK\$1,597,000 (2024: 5% increase in price-to-net assets multiple would result in increase in fair value by HK\$1,585,000)
				Lack of marketability discount	15.6% (2024: 15.6%)	5% increase in lack of marketability discount would result in decrease in fair value by HK\$557,000 (2024: 5% increase in lack of marketability discount would result in decrease in fair value by HK\$2,097,000)
Company I	48,610	24,950	Asset-based approach	Lack of control	21.14% (2024: 19.16%)	5% increase in lack of control would result in decrease in fair value by HK\$210,000 (2024: 5% increase in lack of control would result in decrease in fair value by HK\$350,000)
				Fair values of assets less liabilities of the investee	N/A (2024: N/A)	1% increase in fair value of net assets would result in increase in fair value by HK\$150,000 (2024: nil)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS *(Continued)*

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarch

	Assets unlisted equity instruments HK\$'000
At 1 January 2024	134,026
Net loss from fair value adjustment, recognised in profit or loss	
— Unlisted equity instruments	(38,124)
At 31 December 2024 and 1 January 2025	95,902
Acquisitions	32,033
Net gain from fair value adjustment, recognised in profit or loss	
— Unlisted equity instruments	53,243
At 31 December 2025	181,178

During the year, there was no transfer of fair value measurement between Level 1 and 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (2024: none).

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments include cash and cash equivalents, trade receivables, deposits and other receivables, financial assets at fair value through profit or loss, loan and interest receivables, bank and other borrowings, trade payables, lease liabilities, other payables and amount due to a director/a shareholder of the Company. Details of the major financial instruments and the Group's relevant accounting policies are disclosed in note 2 to the consolidated financial statements.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk, liquidity risk, equity price risk and interest rate risk. The directors review and agree policies for managing each of these risks and they are summarised below.

(a) Foreign currency risk

The Group operates in both Hong Kong and the PRC and sells its products internationally. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily through cash and bank balances arising from sales and purchases, deposits, trade and other receivables, and trade and other payables that are denominated in a currency other than the functional currency of the operations in which they relate. The currencies giving rise to this risk are primarily US\$, and RMB.

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments and political changes domestically and internationally, and the demand and supply of RMB. The appreciation or depreciation of RMB against HK\$ may have impact on the operating results of the Group. The Group's exposure to currency risk arising from US\$ against HK\$ is considered by the directors as insignificant since HK\$ is pegged to US\$.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(a) Foreign currency risk *(Continued)*

There are limited hedging instruments available to the Group to reduce the Group's exposure to exchange rate fluctuations between RMB and other currencies. The Group may decide to enter into hedging transactions in the future and management monitors the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised monetary assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

	2025		2024	
	US\$ HK\$'000	RMB HK\$'000	US\$ HK\$'000	RMB HK\$'000
Trade and other receivables	3,243	738	6,049	835
Bank balances and cash	479	–	6,827	–
Trade and other payables	(4,754)	(320)	(6,088)	(312)
Overall net exposure	(1,032)	418	6,788	523

The directors of the Company consider that the Group is exposed to minimal currency risk in respect of its US\$ exposure as HK\$, which is the functional currency of certain group entities, is pegged to US\$.

The following table demonstrates the sensitivity to a reasonably possible changes in the exchange rates, with all other variables held constant, of the Group's profit after tax.

	2025		2024	
	Increase/ (decrease) HK\$'000	Increase/ (decrease) in profit after tax	Increase/ (decrease) HK\$'000	(Decrease)/ increase in loss after tax
If RMB strengthens against HK\$	3%	10	3%	(13)
If RMB weakens against HK\$	(3%)	(10)	(3%)	13

(b) Credit risk

Credit risk refers to the risk that the Group's counterparties default on their contractual obligations resulting in financial losses to the Group. The Group's credit risk exposures are primarily attributable to trade receivables, bank balances, other receivables, and loan and interest receivables. The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets, except that the settlement of certain trade receivables is backed by bills issued by reputable financial institutions. The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, trade and other receivable balances are monitored on an ongoing basis to ensure that follow-up action is taken to recover overdue debts and the Group's exposure to bad debts is not significant. The Group's maximum exposures to credit risk are the carrying amounts of trade receivables, as disclosed in note 20 to the consolidated financial statements. In addition, the Group reviews the recoverable amount of each individual debtor at the end of the reporting period to ensure that adequate impairment losses have been made for irrecoverable amounts.

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For the year ended 31 December 2025

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

Credit risk arising from trade receivables and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of reporting period, 32% (2024: 15%) and 70% (2024: 35%) of the total trade receivable were due from the Group's largest customer and the five largest customers respectively.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix.

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

	2025			2024		
	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000	Expected loss rate %	Gross carrying amount HK\$'000	Loss allowance HK\$'000
Trade receivables						
Current (not past due)	1.44%	4,663	67	3.16%	16,854	532
1-180 days past due	0.00%	4,865	-	11%	6,718	756
181-365 days past due	100%	5	5	100%	1,755	1,755
More than 365 days past due	100%	2,197	2,197	100%	11,992	11,992
		11,730	2,269		37,319	15,035

Expected credit loss rates are based on actual loss experience over the past years, taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. These rates are adjusted to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	Trade Receivables HK\$'000
Balance at 1 January 2024	12,217
Impairment losses recognised during the year	2,838
Written off of trade receivables	(20)
Balance at 31 December 2024 and 1 January 2025	15,035
Disposal of subsidiaries	(12,658)
Reversal of impairment losses during the year	(108)
Balance at 31 December 2025	2,269

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For the year ended 31 December 2025

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

Credit risk arising from trade receivables and other receivables *(Continued)*

As at 31 December 2024, for other receivables, in order to minimise the credit risk, directors of the Company continuously monitor the settlement status and the level of exposure to ensure that follow-up action is taken to recover overdue debts. For the purposes of internal credit management, the Group uses past due information and external credit rating to assess whether credit risk has increased significantly since initial recognition. In the opinion of the directors of the Company, the internal credit rating of other receivables is at low risk. The directors of the Company believe that there is no significant increase in credit risk of these amounts since initial recognition and the Group provided impairment based on ECL. The Group assessed the ECL on other receivables and deposits with a total gross carrying amount of HK\$7,866,000 as at 31 December 2024 with reversal of impairment loss allowance of HK\$33,000 and written off of other receivables of HK\$1,099,000.

Credit risk arising from bank balances

Credit risk on bank balances is limited because the counterparties are reputable banks with high credit ratings assigned by international credit agencies. Therefore, the ECL on bank balances is considered to be insignificant.

Credit risk arising from loan and interest receivables

The directors of the Company regularly review and assess the credit quality of the counterparties. The Group uses lifetime ECL to assess the loss allowance of loan and interest receivables. Since these receivables are assessed as good credit quality, are not past due, and have no historical default record, the directors consider that the Group's credit risk is not significant after considering the financial background and condition of the counterparties. Accordingly, the directors of the Company consider to recognise a the ECL for loan and interest receivables amounted to HK\$1,756,000 (2024: reversal of the ECL for loan and interest receivables amounted to HK\$1,598,000). As at 31 December 2025, a derecognition of ECL for loan and interest receivables amounted to HK\$967,000 on transfer of loan receivables.

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(b) Credit risk *(Continued)*

Credit risk arising from loan and interest receivables *(Continued)*

The following tables show reconciliation of loss allowances that has been recognised for loan receivables.

	Lifetime ECL (not credit- impaired) HK\$'000	Lifetime ECL (credit- impaired) HK\$'000	Total HK\$'000
As at 1 January 2024	2,729	–	2,729
Changes due to financial instruments recognized as at 1 January:			
– Impairment losses reversed	(1,598)	–	(1,598)
As at 31 December 2024 and 1 January 2025	1,131	–	1,131
Changes due to financial instruments recognized as at 1 January:			
– Impairment losses recognized	1	1,755	1,756
– Derecognition of impairment losses on transfer of loan receivables	(967)	–	(967)
As at 31 December 2025	165	1,755	1,920

(c) Liquidity risk

The Group managed the risk by matching the raising of loans or equity funding to cover expected cash demands. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities and lease liabilities as at the end of the reporting period, based on the contractual undiscounted payments, was as follows

	Weighted average interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
At 31 December 2025						
Trade payables	–	7,806	–	–	7,806	7,806
Other payables	–	19,844	–	–	19,844	19,844
Lease liabilities	5.15%	4,153	360	–	4,513	3,884
Amount due to a director	–	99,052	–	–	99,052	99,052
Amount due to a shareholder of the Company	–	25,553	–	–	25,553	25,553
Bank and other borrowings	2.95%	434,894	–	–	434,894	409,740
		591,302	360	–	591,662	565,879

	Weighted average interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
At 31 December 2024						
Trade payables	–	12,528	–	–	12,528	12,528
Other payables	–	30,803	–	–	30,803	30,803
Lease liabilities	5.03%	10,677	5,122	1,214	17,013	16,300
Margin loan payable	5%	2,164	–	–	2,164	2,164
Amount due to a director	–	97,192	–	–	97,192	97,192
Amount due to a shareholder of the Company	–	24,632	–	–	24,632	24,632
Bank and other borrowings	3.60%	360,920	29,220	–	390,140	366,125
		538,916	34,342	1,214	574,472	549,744

The amounts disclosed in the above table are the contractual undiscounted cash flows, which may differ from the carrying values of the liabilities at the balance sheet date.

The table below summarises the maturity analysis of borrowings with respect to borrowings granted with a repayment on cross demand clause based on agreed scheduled repayments set out in the loan agreements. The amounts include interest payments computed using contractual rates. As a result, these amounts were greater than the amounts disclosed in the on demand time band in the maturity analysis contained in the above table.

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For the year ended 31 December 2025

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(c) Liquidity risk *(Continued)*

The directors of the Company do not consider that it is probable that the bank and other borrowing creditors will exercise their discretion to demand immediate repayment. The directors of the Company believe that such borrowings of the Group will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

The maturity profile of bank and other borrowings with respect to borrowings granted subject to a repayment on cross-default clause based on scheduled repayments as at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

	Weighted average interest rate	Within 1 year or on demand HK\$'000	More than 1 year but less than 2 years HK\$'000	More than 2 years HK\$'000	Total HK\$'000	Carrying amount HK\$'000
At 31 December 2025						
Bank and other borrowings	3.94%	436,594	–	–	436,594	409,740

Although the Group has a considerable amount of financial liabilities to be settled within the next twelve month from the end of the reporting period, the directors of the Company are of the view that the Group can manage the associated liquidity risks taking into account the financial resources and the Group's cash flow projections. The Group has developed and implemented the liquidity plans, as described in note 1(b), to address the going concern issue.

(d) Interest rate risk

The Group's cash flow interest rate risk relates primarily to variable-rate cash at bank. The Group's cash flow interest rate results mainly from the fluctuations of market interest rates. The directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant. The Group is exposed to fair value interest rate risk in relation to its fixed-rate and interest receivables, lease liabilities and bank and other borrowings. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Total interest income from financial assets that are measured at amortised cost is as follows:

	2025 HK\$'000	2024 HK\$'000
Interest income		
Financial assets at amortised cost	269	3,165

Interest expense on financial liabilities not measured at FVTPL:

	2025 HK\$'000	2024 HK\$'000
Interest expense		
Financial liabilities at amortised cost	21,182	10,106

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41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(e) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, sell assets to reduce debt or raise funding through capital markets as necessary.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "total equity" as shown in the consolidated financial statements plus net borrowings.

	2025 HK\$'000	2024 HK\$'000
Total borrowings	409,740	366,125
Less: Cash and cash equivalents	(5,063)	(16,317)
Net borrowings	404,677	349,808
Total equity/(deficits)	27,391	(40,642)
Total capital	432,068	309,166
Gearing ratio	94%	113%

The decrease in the gearing was resulted primarily from the increase of total equity during the year ended 31 December 2025.

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Notes	2025 HK\$'000	2024 HK\$'000
<i>Non-current assets</i>			
Financial assets at fair value through profit or loss		–	525
Investments in subsidiaries	(a)	80	80
Total non-current assets		80	605
<i>Current assets</i>			
Prepayments and other receivables		1,525	1,571
Amounts due from subsidiaries	(a)	24,711	26,560
Amount due from a director		179	179
Cash and cash equivalents		1,237	427
Total current assets		27,652	28,737
<i>Current liabilities</i>			
Other payables and accruals		15,234	11,197
Loan from a subsidiary		21,704	21,687
Other borrowings		14,946	–
Amounts due to subsidiaries		71,241	79,658
Total current liabilities		123,125	112,542
Net current liabilities		(95,473)	(83,805)
Total assets less current liabilities		(95,393)	(83,200)
<i>Non-current liabilities</i>			
Long service payment provision		58	–
Net liabilities		(95,451)	(83,200)
Equity			
Share capital	32	112,238	112,238
Deficits	(b)	(207,689)	(195,438)
Total deficits		(95,451)	(83,200)

Wang Liang
Director

Du Dong
Director

Notes to the Consolidated Financial Statements

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42. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Notes:

- (a) During the year ended 31 December 2025, impairment loss on amounts due from subsidiaries of HK\$2,403,000 (2024: impairment loss on amounts due from subsidiaries of HK\$58,150,000) was recognised.
- (b) A summary of the Company's deficits is as follows:

	Share premium account HK\$'000 (note 33(a))	Contributed surplus HK\$'000 (note 33(c))	Share option reserve HK\$'000 (note 33(d))	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2023	1,907,658	13,387	39,402	(2,073,533)	(113,086)
Total comprehensive loss for the year	–	–	–	(85,991)	(85,991)
Equity settled share-based transactions	–	–	3,639	–	3,639
Share option lapsed	–	–	(12,176)	12,176	–
At 31 December 2024 and 1 January 2025	1,907,658	13,387	30,865	(2,147,348)	(195,438)
Total comprehensive loss for the year	–	–	–	(13,537)	(13,537)
Equity settled share-based transactions	–	–	1,286	–	1,286
Share option lapsed	–	–	(5,473)	5,473	–
At 31 December 2025	1,907,658	13,387	26,678	(2,155,412)	(207,689)

The Company's contributed surplus represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the reorganisation on 29 December 2011 over the previous nominal value of the Company's shares issued in exchange therefor. Under the Companies Act 1981 of Bermuda, a company may make distributions to its members out of the contributed surplus in certain circumstances.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2025 are as follows

Name	Place of incorporation/ registration and business	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Apex Capital Business Limited	BVI	Ordinary US\$100	100 (2024: 100)	–	Investment holding
Era Bright	Hong Kong	Ordinary HK\$99,844,885	–	59.71 (2024: 59.71)	Money lending
Qualipak Manufacturing Limited	Hong Kong	Ordinary HK\$100 Non-voting deferred HK\$22,303,857 [^]	–	59.71 (2024: 59.71)	Manufacture and sale of watch boxes, jewellery boxes, eyewear cases, bags and pouches and display units
Joy Forever Limited	Hong Kong	Ordinary HK\$1	–	100 (2024: 100)	Provision of corporate management services
Shanghai TY Technology Co. Ltd.** (上海透雲物聯網科技有限公司)	PRC	Registered RMB600,000,000 and paid up RMB302,451,020	–	– (2024: 100)	Provision of QR codes on product packaging and business intelligence IT solutions, and online advertising display services
TY Technology (Beijing) Co., Ltd.* 透雲物聯網科技(北京)有限公司	PRC	Registered and paid-up RMB62,000,000	–	– (2024: 100)	Provision of QR codes on product packaging
Victor Choice Global Limited	BVI	Ordinary US\$200	–	100 (2024: 100)	Investment holding
Marvel Galaxy	BVI	Ordinary US\$200	–	79 (2024: 79)	Investment holding
Morning Win Limited. [@]	REPUBLIC OF THE MARSHALL ISLANDS	Ordinary HK\$1	–	100 (2024: 100)	Investment holding
Winning Surprise Limited. [@]	REPUBLIC OF THE MARSHALL ISLANDS	Ordinary HK\$1	–	100 (2024: 100)	Investment holding
Shanxi Touyun Biotechnology Co., Ltd. 山西透雲生物科技有限公司**	PRC	Registered and paid up US\$12,000,000	–	100 (2024: 100)	Production and sale of Chlamydomonas reinhardtii, micro-algae and related products

Notes:

Registered as a wholly-owned foreign enterprise under the PRC law

* Direct translation from the Chinese name which is for identification purposes only

[^] The non-voting deferred shares have restricted rights on the distribution of profits, capital and voting

[@] Subsidiaries of Marvel Galaxy.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. DISCONTINUED OPERATIONS

On 6 March 2025, the Group entered into a sale and purchase agreement with an independent third party (“the Purchaser”) to sell its 30% of the shares of Fortune Road International Limited (“Fortune Road”), at a cash consideration of RMB5,000,000 (equivalent to HK\$5,334,000).

Subsequently, on 6 May 2025, the Group entered into another sale and purchase agreement to sell its remaining 70% equity interest in Fortune Road to the Purchaser of Fortune Road for a consideration of RMB13,000,000 (equivalent to HK\$14,040,000), resulting in a loss of control over Fortune Road. This disposal was undertaken to enhance the Group’s liquidity and strengthen its overall financial position.

Management has assessed the above transactions under HKFRS 10 and concluded that they are not linked transactions, as each disposal was negotiated independently with distinct contractual terms and commercial rationale.

The principal business and activities of Fortune Road and its subsidiaries (collectively referred to as the “Disposal Group”) were the provision of QR codes on product packaging and solutions services in the PRC (the “QR code business”). The QR code business comprised the whole “QR code business” reportable segment of the Group presented in the previously issued consolidated financial statements of the Group. Upon the completion of the disposal of the Disposal Group on 29 August 2025, the Group ceased to engage in the QR code business.

Accordingly, the results of operations of the QR code business are presented as discontinued operations. The loss for the year from the discontinued operations is set out below. The comparative figures in the Group’s consolidated statement of profit or loss and other comprehensive income have been restated to re-present the operations of the QR code business as discontinued operations.

The financial performance and cashflow information of the discontinued operations presented below are for the year ended 31 December 2025 and 2024.

	2025 HK\$'000	2024 HK\$'000
Loss of the QR code business for the period/year	(9,140)	(9,208)
Gain on disposal of the Disposal Group	22,875	–
	13,735	(9,208)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. DISCONTINUED OPERATIONS *(Continued)*

The financial performance and cashflow information of the discontinued operations of the QR code business for the period from 1 January to 29 August 2025 and for the year ended 31 December 2024, which have been included in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows, were as follows:

	Period ended 29/8/2025 HK\$'000	Year ended 31/12/2024 HK\$'000
Revenue from sales of goods and services rendered		
Provision of QR code packaging products and solutions:		
QR code packaging products	3,925	6,328
QR code solutions and maintenance service	20,901	54,039
	24,826	60,367
Cost of sales	(13,165)	(26,999)
Gross profit	11,661	33,368
Provision for impairment loss of trade receivables, net	(144)	(497)
Provision for impairment loss of other receivables, net	–	(1,066)
Other income, gains and losses, net	(1,181)	2,418
Selling and distribution expenses	(2,816)	(6,448)
Administrative expenses	(16,472)	(36,570)
Finance costs	(188)	(413)
Loss before taxation	(9,140)	(9,208)
Income tax expense	–	–
Loss for the period/year from discontinued operations	(9,140)	(9,208)
Gain on disposal of the Disposal Group	22,875	–
	13,735	(9,208)
Cash flows from discontinued operations		
Net cash outflow from operating activities	(4,761)	(2,513)
Net cash inflow/(outflow) from investing activities	1,366	(1,604)
Net cash inflow from financing activities	1,202	3,644
Net cash outflow	(2,193)	(473)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. DISCONTINUED OPERATIONS *(Continued)*

The net liabilities of the Disposal Group at the date of the disposal were as follows:

	At 29 August 2025 HK\$'000
Assets	
Property, plant and equipment	922
Right-of-use assets	2,908
Inventories	2,866
Trade receivables	8,459
Prepayments	12,646
Deposits and other receivables	216
Cash and cash equivalents	1,888
	<hr/> 29,905
Liabilities	
Trade payables	(9,096)
Accruals and other payables	(8,257)
Contract liabilities	(11,940)
Lease liabilities	(3,083)
Interest-bearing bank and other borrowings	(8,850)
	<hr/> (41,226)
Net liabilities disposed of	(11,321)
Consideration received	
Cash	14,040
Gain on disposal	
Consideration received	14,040
Net liabilities disposed of	11,321
Non-controlling interests	(3,131)
Cumulative exchange gain in respect of the subsidiaries reclassified from equity to profit or loss upon disposal	1,128
Expenses directly attributable to the disposal	(483)
Gain on disposal	<hr/> 22,875
Net cash inflow arising on disposal	
Cash consideration	14,040
Less: cash and cash equivalents disposed of	(1,888)
	<hr/> 12,152

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period, the Company drew down two other borrowings on 12 January 2026 and 2 February 2026, in the amounts of HK\$6,000,000 and HK\$20,000,000 respectively, bringing the total to HK\$26,000,000 (“New Other Borrowings”) under the same facility letter.

The facility letter contains a cross-default clause. As a default under other borrowing arrangements had already occurred in 2025 and had not been waived, the cross-default clause was triggered. Consequently, upon drawdown, the New Other Borrowings and their interest payables became due for immediate repayment.

The New Other Borrowings were originally repayable within one year from the respective drawdown dates, but became due for immediate repayment upon drawdown as a result of the triggering of the cross-default clause. The New Other Borrowings are secured by a pledge over the shares of certain subsidiaries and the assets of those subsidiaries. As at the date of this report, the lender has not issued any demand or taken any enforcement action in respect of these amounts.

46. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2026.

Five-Year Financial Summary

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out below.

RESULTS

The summary of the consolidated results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, has been extracted from the published audited financial statements.

	Years ended 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Revenue from sales of goods and services rendered	71,948	152,299	198,032	323,334	291,415
Revenue from treasury investment					
Fair value (losses)/gains on financial assets at fair value through profit or loss held for trading, net	(5,234)	4,565	(894)	(9,899)	(25,143)
Interest income from money lending business	256	3,101	1,502	2,390	3,178
Dividend income from financial assets at FVTPL held for trading	–	–	–	–	411
Interest income from margin financing	–	–	–	–	12,672
Commission and service income	–	–	–	–	972
Profit/(loss) before tax	47,574	(88,366)	(272,585)	(199,183)	(122,970)
Income tax (expense)/credit	(11)	326	16	(3,473)	(971)
Profit/(loss) for the year	47,563	(88,040)	(272,569)	(202,656)	(123,941)
Attributable to:					
Owners of the Company	11,632	(88,107)	(268,939)	(198,065)	(72,948)
Non-controlling interests	35,931	67	(3,630)	(4,591)	(50,993)
	47,563	(88,040)	(272,569)	(202,656)	(123,941)

Five-Year Financial Summary

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
Total assets	619,704	550,319	607,340	887,697	1,024,728
Total liabilities	(592,313)	(590,961)	(586,267)	(604,188)	(537,683)
Non-controlling interests	(78,489)	(42,558)	(21,921)	(19,550)	(17,128)
	(51,098)	(83,200)	(848)	263,959	469,917