

**ENM** 安寧控股有限公司  
*ENM Holdings Limited*

Stock Code : 00128



ANNUAL REPORT  
**2025**





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# REPORT OF THE DIRECTORS

The Directors present their report and the audited consolidated financial statements of ENM Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries are investment holding, securities trading and the strategic management of group assets, including the Hilltop Property.

Information on the current status of the Hilltop Property can be found in the sections headed “Overview” and “Future Outlook and Strategies” of the Chief Executive Officer’s Statement.

On 30 November 2025, the Group discontinued the fashion retail business, further details of which are included in note 17 to the consolidated financial statements.

## BUSINESS REVIEW

The “Chief Executive Officer’s Statement” on pages 8 to 25 provides a fair review of the Group’s operations, analysis of financial key performance indicators, future outlook and strategies, liquidity and financial position, description of the principal risks and uncertainties facing the Group, particulars of important events that have occurred after the year ended 31 December 2025, as well as a report on the Group’s compliance with the relevant laws and regulations that have a significant impact on the Group. Discussions on the Group’s environmental policies and performance, the account of the Group’s key relationships with its employees, customers and suppliers, and community investment are contained in the “Environmental, Social and Governance Report” on pages 51 to 72. The abovementioned discussions and reporting form part of this Report of the Directors.

## RESULT AND DIVIDEND

The result of the Group for the year ended 31 December 2025 is set out in the Consolidated Statement of Profit or Loss and the Consolidated Statement of Profit or Loss and Other Comprehensive Income on pages 79 and 81.

The Directors do not recommend the payment of dividend for the year ended 31 December 2025.

## FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets, liabilities and non-controlling interests of the Group for the last five financial years, extracted from the published audited consolidated financial statements and restated/reclassified where appropriate, is set out on page 147.

This summary does not form part of the audited consolidated financial statements.

## **GROUP PROPERTIES**

Particulars of the properties of the Group are set out on page 146.

## **SHARE CAPITAL**

There were no movements in the Company's issued share capital during the year ended 31 December 2025.

## **EQUITY-LINKED AGREEMENTS**

No equity-linked agreements were entered into during the year or subsisted at the end of the year.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

## **DISTRIBUTABLE RESERVES**

As at 31 December 2025, the Company had no reserves available for distribution to shareholders of the Company.

## **MAJOR CUSTOMERS AND SUPPLIERS**

The Group's revenue from continuing operations for the year comprised only interest income and dividend income. In view of the nature of these revenue streams, there were no applicable data on the percentage of sales attributable to the Group's major customers and the percentage of purchases attributable to its major suppliers to be disclosed.

## **DIRECTORS**

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

### **EXECUTIVE DIRECTOR**

Mrs. Penny Soh Peng CROSBIE-WALSH (Chief Executive Officer)

### **NON-EXECUTIVE DIRECTOR**

Mr. Hung Han WONG (Non-executive Chairman)

## REPORT OF THE DIRECTORS

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Kin Wing CHEUNG

Ms. Imma Kit Sum LING

Mr. Hin Fun Anthony TSANG

In accordance with Article 94 of the Company's Articles of Association, a Director appointed by the Board of Directors (the "Board") either to fill a casual vacancy or as an addition to the Board, shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting.

In accordance with Article 103 of the Company's Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, or such higher number of Directors to be determined by the Board, shall retire from office by rotation but shall be eligible for re-election, provided that every Director shall be subject to retirement at least once every three years. The Directors (including those appointed for a special term) to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

Particulars of Directors seeking re-election at the forthcoming annual general meeting are set out in the related notice to shareholders.

### DIRECTORS OF SUBSIDIARIES

The list of persons who have served on the boards of the subsidiaries of the Company during the year and up to the date of this report is kept at the registered office of the Company and available for inspection by the shareholders of the Company during office hours.

### PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses and liabilities which he/she may sustain or incur in or about the execution of the duties of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against Directors of the Group.

## **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors of the Company and the Senior Management of the Group are set out on pages 26 to 29.

## **DIRECTORS' SERVICE CONTRACTS**

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company that is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## **DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS**

As at 31 December 2025, none of the Directors or the Chief Executive Officer of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as adopted by the Company.

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Neither the Company nor any of its specified undertakings was a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate at any time during the year or at the end of the year. None of the Directors or their respective spouses or minor children, had been granted any rights to subscribe for the securities of the Company or had exercised any such right during the year.

## **MANAGEMENT CONTRACTS**

Save for employment contracts, no other contracts concerning the management and/or administration of the whole or any substantial part of the business of the Company were entered into or subsisted at any time during the year.

## REPORT OF THE DIRECTORS

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at 31 December 2025, persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

#### Long positions in ordinary shares of the Company

Name	Capacity	Number of shares held	Percentage of the Company's issued shares
Diamond Leaf Limited	Beneficial owner	162,216,503	9.83%
Solution Bridge Limited	Beneficial owner	408,757,642	24.76%
Chinachem Investments Holding Limited	Interest of controlled corporations	570,974,145 Note (i)	34.59%
Chinachem Group Holdings Limited	Interest of controlled corporations	570,974,145 Note (ii)	34.59%
Mr. JONG, Yat Kit	Trustee	730,974,145 Notes (iii) & (iv)	44.28%
Mr. WONG, Tak Wai	Trustee	730,974,145 Notes (iii) & (iv)	44.28%
Ms. KUNG, Nina (deceased)	Interest of controlled corporations	570,974,145 Note (v)	34.59%

Notes:

- (i) Chinachem Investments Holding Limited controlled Diamond Leaf Limited and Solution Bridge Limited and was therefore deemed to be interested in the shares held by such companies.
- (ii) Chinachem Group Holdings Limited controlled Chinachem Investments Holding Limited and was therefore deemed to be interested in the shares in which such company was deemed to be interested.
- (iii) Chinachem Group Holdings Limited was a controlled corporation of Mr. JONG, Yat Kit and Mr. WONG, Tak Wai, as joint and several administrators of the estate of Kung, Nina also known as Nina Kung and Nina T H Wang, and of the estate of Wang Teh Huei alias Teh Huei Wang. Thus, each of Mr. JONG, Yat Kit and Mr. WONG, Tak Wai was deemed to be interested in the shares in which Chinachem Group Holdings Limited was deemed to be interested.
- (iv) Each of Mr. JONG, Yat Kit and Mr. WONG, Tak Wai was a trustee of the estate of Kung, Nina also known as Nina Kung and Nina T H Wang, and of the estate of Wang Teh Huei alias Teh Huei Wang.
- (v) The interests disclosed under Ms. KUNG, Nina (deceased) represent her deemed interests in the shares of the Company by virtue of her interests in Diamond Leaf Limited and Solution Bridge Limited (as per the late Ms. KUNG, Nina's last disclosure of interests notice dated 4 April 2006).

Save as disclosed above, the Company has not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company as at 31 December 2025 which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

## **CONNECTED TRANSACTION**

During the year ended 31 December 2025, the Group did not have any connected transactions which were subject to the reporting requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The Company confirms that it has complied with the disclosure requirements, where appropriate, in accordance with Chapter 14A of the Listing Rules.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

Save as disclosed above, there were no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year nor were there any other contracts of significance in relation to the Group's business between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries, subsisted at the end of the year or at any time during the year.

## **CORPORATE GOVERNANCE**

The Company's Corporate Governance Report is set out on pages 30 to 50.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained the prescribed level of public float throughout the year and up to the date of this report as required under the Listing Rules.

## **AUDITOR**

RSM Hong Kong, which will retire and being eligible, offers itself for re-appointment at the forthcoming annual general meeting. A motion for the re-appointment of RSM Hong Kong will be proposed at the forthcoming annual general meeting.

On behalf of the Board

**Hung Han WONG**

*Non-executive Director and Non-executive Chairman*

Hong Kong, 27 March 2026

# CHIEF EXECUTIVE OFFICER'S STATEMENT

## OVERVIEW

The decision to restructure the businesses of ENM Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), by discontinuing loss making operations, has paid off in 2025. After recording operating losses for several years, the Group has returned a sizeable operating profit for the year ended 31 December 2025. The business rationalization undertaken by the Company, which included discontinuing Hill Top Country Club and SWANK, had also streamlined the head office operation. Collectively, the actions taken helped to deliver a profit attributable to owners of the Company of HK\$24,284,000 for the year ended 31 December 2025, compared to a loss attributable to owners of the Company of HK\$7,904,000 in 2024. Throughout the year, Management and the Board of the Company continued to maintain a prudent and cautious approach to capital management, with emphasis on asset preservation and maintaining a strong balance sheet amid market uncertainties. The Group continued to adopt a conservative approach to investment decisions, recognising the importance of maintaining financial flexibility in a volatile market environment. This has helped to produce a strong return on the investment portfolio in 2025 despite a choppy year for the investment market.

According to the Rating and Valuation Department of the Hong Kong Government ("R&D" Department), property market indicators in 2025 reflected a divergent performance across segments. Residential property prices showed signs of stabilisation, with selected indices recording marginal improvements compared with the prior year, supported by steady end user demand and more stable transaction activity. In contrast, industrial property indicators, including Private Flatted Factory Price Indices published by the R&D Department, continued its contraction trend, reflecting soft leasing demand, elevated vacancy levels and subdued investment sentiment. Overall, while the residential market demonstrated greater resilience during the year, the industrial property market remained under sustained pressure which has impacted the value of the Group's Investment Properties.

As the Hilltop property land exchange application has progressed to gazettal of the proposed roadworks on Hilltop road and the neighbouring area which is a good milestone, and the Group has ceased the other business operations, the Board proceeded to engage an external professional Financial Advisor to carry out an evaluation of the financial viability and impact of various strategic options available to the Company for the Hilltop land, which forms part of the Board's strategic review of the Group. Based on the advice received, as outlined in the Company's Announcement on 22 December 2025, the Board noted the challenges associated with pursuing standalone development under the Group's current financial and operational profile. The strategic review remains ongoing, while the land exchange application process for the Hilltop land continues. The Company will make further announcements as and when necessary, in accordance with the Listing Rules and the Securities and Futures Ordinance.

## FINANCIAL REVIEW

	2025 HK\$'000	2024 HK\$'000 (restated)	Change +ve/(-ve)
<b>Continuing operations</b>			
<b>Revenue</b>	<b>19,920</b>	18,799	6%
Dividend income	7,896	9,587	(18%)
Interest income	12,024	9,212	31%
<b>Profit from operations</b>	<b>25,871</b>	5,244	393%
Fair value losses on investment properties, net	(3,854)	(2,600)	(48%)
Finance costs	(60)	(71)	15%
<b>Profit for the year from continuing operations</b>	<b>21,957</b>	2,573	753%
<b>Profit/(Loss) for the year from discontinued operations</b>	<b>2,327</b>	(10,478)	122%
<b>Profit/(Loss) for the year (from continuing and discontinued operations)</b>	<b>24,284</b>	(7,905)	407%
<b>Profit/(Loss) for the year (from continuing and discontinued operations) attributable to shareholders</b>	<b>24,284</b>	(7,904)	407%
<b>Earnings/(Loss) per share</b>	<b>HK 1.47 cents</b>	HK (0.48) cents	

During the year under review, the Group's revenue from continuing operations recorded a year-on-year increase of 6% to HK\$19,920,000, contributed primarily by the increment in interest income. The profit, generated from both continuing and discontinued operations, attributable to shareholders amounted to HK\$24,284,000 for the year ended 31 December 2025, representing a significant turnaround from the loss attributable to shareholders of HK\$7,904,000 for the year ended 31 December 2024. The improvement in the Group's financial performance was mainly attributable to the following:

- From continuing operations, the Group's investment portfolio, primarily comprised of marketable bond and equity funds investments, generated net realised and unrealised gains (before general and administrative expense, depreciation, bank interest income and other income) of HK\$41,039,000, representing a 75% increase compared with HK\$23,415,000 in 2024:

	2025 HK\$'000	2024 HK\$'000 (restated)	Change +ve/(-ve)
<b>Continuing operations</b>			
Dividend income	7,896	9,587	(18%)
Interest income	3,061	2,016	52%
Fair value gains/(losses), net*	27,356	(289)	9566%
Gains on disposal, net*	2,726	12,101	(77%)
<b>Total gains from investment portfolio, net</b>	<b>41,039</b>	23,415	75%
<b>Profit from operations</b>	<b>25,871</b>	5,244	393%

\* Included in "Other operating gains, net"

## CHIEF EXECUTIVE OFFICER'S STATEMENT

The increase in the net realised and unrealised gains of the Group's investment portfolio was mainly attributable to the fair value appreciation of the Group's private equity fund investments in ASEAN China Investment Fund III L.P. ("ACIF III") and ASEAN China Investment Fund IV. L.P. ("ACIF IV"). During the year under review, these investments recorded an unrealised fair value gain of HK\$8,229,000, compared with an unrealised fair value loss of HK\$7,391,000 in 2024, reflecting the recovery in certain equity markets underlying the funds' investment holdings. Overall, the Group recorded a profit from operations of HK\$25,871,000 for the year ended 31 December 2025 (2024: HK\$5,244,000).

- 2) Elimination of losses (after all expenses including finance costs) from the Group's discontinued fashion retail business and club operations:

	2025 HK\$'000	2024 HK\$'000 (restated)	Change +ve/(-ve)
<b>Profit/(Loss) for the year from discontinued operations</b>	<b>2,327</b>	(10,478)	122%
Retail of fashion wear and accessories (i)	2,327	(4,398)	153%
Resort and recreational club operations (ii)	—	(6,080)	100%

- (i) Despite implementing numerous cost-saving and profitability-enhancing strategies over the years on the fashion retail business, SWANK continued to encounter strong headwinds in the challenging luxury fashion retail environment. Accordingly, the Board resolved to discontinue SWANK operation on or around 30 November 2025. For the year ended 31 December 2025, SWANK recorded sales revenue of HK\$13,045,000, a 77% reduction compared to its revenue for the year ended 31 December 2024, with a corresponding reduction in gross profit of 60% at HK\$12,552,000, as compared to previous year. Notwithstanding the substantially lower revenue, SWANK generated a small profit of HK\$2,327,000 for the year ended 31 December 2025 (2024: loss of HK\$4,398,000); and
- (ii) Cessation of the resort and recreational club operations from mid-June 2024, which incurred a loss of HK\$6,080,000 for the year ended 31 December 2024.

The Group's other income and expenditure from continuing operations for the year ended 31 December 2025 comprised the following:

- Other income amounted to HK\$1,957,000, representing an increase of HK\$758,000 (or 63%) compared with HK\$1,199,000 in 2024. Other income mainly comprised (i) rental income of HK\$954,000 (2024: HK\$984,000) generated from the Group's investment property situated in Hong Kong, and (ii) a gain on dissolution of subsidiaries of HK\$429,000 (2024: HK\$Nil).
- Administrative expenses decreased slightly by 2% to HK\$26,064,000 (2024: HK\$26,527,000), primarily attributable to:
  - Reduction in staff costs through streamlining of manpower;
  - Reduction in investment related expenses, including savings from termination of investment advisory service, and decrease in management fee for discretionary investment portfolio;
  - Decrease in depreciation of right-of-use assets for the lease of office premises and related building management fee, following the relocation to new office premises with lower monthly occupancy costs; and
  - The above cost savings were partly offset by non-routine legal and professional fees incurred in the last quarter of 2025 in connection with the engagement of both Financial and Legal advisors in inspect of the Hilltop land.
- "Other operating gains, net" mainly comprised net realised and unrealised fair value gains of HK\$30,082,000 (2024: net realised and unrealised fair value gains of HK\$11,812,000) arising from investments in financial instruments (before interest and dividend income which are included in "Revenue").

For the year ended 31 December 2025, the Group's finance cost comprised interest expenses on lease liabilities of HK\$60,000 (2024: HK\$71,000).

In accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") and based on the advice of an independent and reputable valuer, the Group has assessed the fair value of the Hilltop property (the "Property") (formerly occupied by the Group's resort and recreational club operation) located in Tsuen Wan, Hong Kong, based on its highest and best use. The valuation was determined with reference to the Property having received approval to be rezoned for residential development, after taking into consideration the uncertainty and timing associated with the remaining steps required to proceed with the redevelopment. As at 31 December 2025, the fair value of the Property was determined to be HK\$320,000,000 (31 December 2024: HK\$340,000,000). The downward revaluation was mainly attributable to a longer expected construction period and higher estimated construction costs. This reduction in valuation was recognised as other comprehensive loss for the year ended 31 December 2025 and accumulated in the property revaluation reserve which had no impact on the Group's consolidated statement of profit or loss for the year.

## BUSINESS REVIEW

### Investments

The Group's investment in financial instruments mainly comprises four categories: (A) Marketable Funds including, unitized open-end fixed income, alternative and equity fund, and money market investment; (B) Discretionary Investment Portfolios managed by three financial institutions with pre-agreed mandate and controlled by the Group; (C) United States Dollar ("USD") Corporate Bonds; and (D) Other Fund Investments, including Private Equity Funds. As at 31 December 2025, the total carrying value of the Group's investment portfolio in financial instruments was HK\$467,382,000 (31 December 2024: HK\$388,771,000), representing approximately 45.1% (31 December 2024: 37.5%) of the carrying value of the Group's total assets.

Extending their strong performance in 2024, the global fixed income markets, represented by the Bloomberg Global Aggregate Index (USD Hedged), repeated with also a strong performance in 2025 by gaining 4.9%, bolstered by various central banks' interest rate cuts led by the US Federal Reserve. The global equity markets, represented by the MSCI All Country World Index (USD), extended their third-year winning streak, with the index gaining 22.9% in 2025. The gains were spurred by the strong performance of Information Technology and Financials sectors, which are the two biggest sector weightings in the Index. The Information Technology sector continued to ride on the Artificial Intelligence ("AI") hype while the Financials sector benefitted from the resilient global economies, deregulation in the US and the revival of fiscal spending in Europe.

#### A. Marketable Funds Investment Portfolio – including unitized open-end fixed income, alternative and equity fund and money market investment

The marketable funds investment portfolio consists of four primary investment strategies, namely money market investment, fixed income funds, alternative funds and equity funds. The total carrying value of the Group's investment in this category was HK\$269,831,000 as at 31 December 2025 (31 December 2024: HK\$252,200,000), representing approximately 26.0% of the carrying value of the Group's total assets; and the asset allocation in this portfolio was 4.0% in equity fund, 5.2% in a money market investment, 48.3% in fixed income funds, and 42.5% in alternative funds. This category of portfolio recorded a total net gain of HK\$20,051,000 or 7.0% (2024: a total net gain of HK\$18,821,000) for the year ended 31 December 2025. The net gain was attributable to HK\$11,209,000 of unrealised mark-to-market gain, HK\$1,871,000 of realised gain on disposal and HK\$6,971,000 of dividend received.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### *Fixed Income Strategy*

The Group held five funds which can be grouped into the category of fixed income strategy. As at 31 December 2025, the fair value of the Group's investment in this strategy was HK\$130,262,000, representing approximately 12.6% of the carrying value of the Group's total assets. The net return of this investment strategy was a HK\$10,863,000 gain or 5.4% for the year ended 31 December 2025. Below is the individual fund with fair value exceeding 5% of the carrying value of the Group's total assets.

#### **PIMCO GIS- Income Fund**

This Fund is actively managed by one of the world's leading fixed income investment managers, Pacific Investment Management Company LLC ("PIMCO"). The Fund's investment mandate allows it to invest flexibly in a broad range of fixed income securities and countries. Currently the major underlying investment of the Fund is US securitized credits. The fund (Institutional Income Class USD) has a 5-year annualised return of 4.0% for the period of 2021 to 2025. As at 31 December 2025, the fair value of the Group's investment in this fund was HK\$55,295,000 (31 December 2024: HK\$53,109,000), representing approximately 5.3% of the carrying value of the Group's total assets. The net return of this fund was HK\$5,465,000 gain or 10.3% for the year ended 31 December 2025, comprised a HK\$2,186,000 unrealised mark-to-market gain and HK\$3,279,000 of dividend received.

### *Alternative Strategy*

As at 31 December 2025, the Group held seven funds in this strategy with a fair value of HK\$114,644,000, representing approximately 11.1% of the carrying value of the Group's total assets. This portfolio consisted of an Asia with China-focus long/short credit fund, a China multi-strategy credit fund, an infrastructure asset private fund, two private real estate funds, a US-focused diversified asset-backed private lending fund and a global multi-strategy hedge fund. The net return on investment was a HK\$6,172,000 gain or 5.3% for the year ended 31 December 2025. The Group's investment in individual funds in this strategy did not exceed 5% of the carrying value of the Group's total assets.

### *Equity Strategy*

As at 31 December 2025, the Group held one fund in this strategy with a fair value of HK\$10,914,000, representing approximately 1.0% of the carrying value of the Group's total assets. This equity fund mainly invests in global technology stocks. The net return on investment was a HK\$1,998,000 gain or 10.3% for the year ended 31 December 2025. The Group's investment in this strategy did not exceed 5% of the carrying value of the Group's total assets.

## **B. Discretionary Investment Portfolio divided and managed by Morgan Stanley Asia International Limited ("MS Portfolio"), LGT Bank (Hong Kong) ("LGT Portfolio") and UBS AG (Hong Kong) ("UBS Portfolio")**

### *MS Portfolio*

Morgan Stanley ("MS") offers a bespoke asset allocation solution based upon its Global Investment Committee Model. The Asia Investment Management Services team leverages the extensive research, investment expertise and execution capabilities of MS to invest in traditional and sophisticated multi-asset, equity and fixed income funds, Exchange-Traded Funds ("ETF") and money market instruments. As at 31 December 2025, the total carrying value of the MS Portfolio was HK\$56,768,000 (31 December 2024: HK\$50,287,000) with a total of 20 funds and ETF holdings, representing approximately 5.5% of the carrying value of the Group's total assets. The asset allocation in the portfolio comprised 5.2% money market investment, 26.8% fixed income funds, 59.1% equity funds (including ETFs) and 8.9% alternative investments. The MS Portfolio has been set up to gradually spread risk with high flexibility to invest a certain proportion in the Money Market Investment awaiting suitable opportunities to reinvest in other asset classes. The MS Portfolio recorded a gross gain of HK\$6,963,000 or 12.8%, before expenses, during the year under review.

### *LGT Portfolio*

LGT offers a bespoke asset allocation solution based on recommendations from LGT's Investment Committee in Asia and dynamically incorporates monitoring of macroeconomic outlook, market conditions, and fundamentals of securities into the portfolio. Investments in this portfolio are all investment grade corporate bonds. As at 31 December 2025, the total market value of the LGT Portfolio was HK\$47,266,000 (31 December 2024: HK\$41,530,000), consisting of 55 fixed income securities, representing approximately 4.6% of the carrying value of the Group's total assets. The LGT Portfolio aims to diversify risk and mitigate volatility of the investment markets with fixed income investment as the dominant asset class. The LGT Portfolio recorded a gross gain of HK\$3,098,000 or 6.4%, before expenses during the year under review.

### *UBS Portfolio*

UBS offers a bespoke asset allocation solution which is subject to the discretionary management of its Global Chief Investment Officer supported by insights from more than 800 investment experts across 11 locations globally, who select, manage and monitor a relatively concentrated single-stock portfolio. As at 31 December 2025, the total market value of the UBS Portfolio was HK\$16,064,000 (31 December 2024: HK\$Nil, as this portfolio was inceptioned in July 2025), consisting of 33 global stocks with high and stable dividend paying capabilities and one money market fund, representing approximately 1.5% of the carrying value of the Group's total assets. The UBS Portfolio recorded a gross gain of HK\$664,000 or 4.3%, before expenses, during the year under review.

## **C. USD-denominated Corporate Bond**

In view of the market expectation of interest rate cut in 2025, to mitigate the risk of low return for the year, the Group invested in two USD-denominated investment grade corporate bonds in February 2025, Wells Fargo & Co 4.808% Medium Term Notes and Ventas Realty LP 4% Notes. Together with the existing corporate bond investment of Airport Authority Hong Kong, the total carrying value of this asset category was HK\$24,871,000 as of 31 December 2025 (31 December 2024: HK\$1,344,000), representing approximately 2.4% of the carrying value of the Group's total assets. This asset class recorded a net gain of HK\$1,385,000 (or 5.7%) (2024: HK\$40,000 net gain), which comprised of an unrealised fair value gain of HK\$461,000 and coupon income of HK\$924,000, during the year under review.

## **D. Other Fund Investments - Private Equity Funds**

The total carrying value of the Group's investment in this category was HK\$52,582,000 as at 31 December 2025 (31 December 2024: HK\$43,410,000) and recorded a net gain of HK\$8,878,000 (2024: a net loss of HK\$7,083,000) for the year ended 31 December 2025.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### *ASEAN China Investment Fund III L.P. ("ACIF III")*

The Group has made an investment commitment of US\$4,000,000 (equivalent to HK\$31,120,000) in ACIF III for a 1.532% shareholding. ACIF III is managed out of Singapore by United Overseas Bank Venture Management Private Limited ("UOBVM") and targets investments in growth-oriented companies operating in East and Southeast Asia countries and Mainland China. As at 31 December 2025, the Group has invested a total of HK\$24,447,000 in this fund and the Group's share of capital value was HK\$19,280,000 based on the management accounts the fund manager has provided. The total return on investment of ACIF III was a HK\$3,546,000 net gain for the year ended 31 December 2025 (2024: net loss of HK\$6,484,000), comprised of HK\$2,969,000 fair value gain and HK\$577,000 of distribution income received. This fair value gain mainly stemmed from increase in the fair value of the fund's listed securities holdings of Mainland Chinese companies. ACIF III is viewed as a long-term investment which helps to diversify the Group's investment portfolio with exposure to a wider range of potentially profitable private companies managed by a team of Managers with good track records. ACIF III has delivered a satisfactory 12.39% net internal rate of return since inception.

### *ASEAN China Investment Fund IV L.P. ("ACIF IV")*

With the success of ACIF III, the Group made another capital commitment of US\$4,000,000 (equivalent to HK\$31,120,000) in ACIF IV for a 1.649% shareholding. ACIF IV is an exempted limited partnership incorporated in the Cayman Islands on 20 February 2018 and a closed-end private equity fund. The fund is also managed out of Singapore by the UOBVM team, and is a "follow-on" fund to its predecessors (ACIF I, ACIF II and ACIF III) and continues the focus of investing primarily via minority stakes in expansion stage capital opportunities through privately negotiated equity and equity related investments in small and medium sized growing companies that benefit from the continuing expansion of trade and investment among the ASEAN member-states and Mainland China, and their respective overseas trading partners. As at 31 December 2025, the Group had invested a total of HK\$30,790,000 in this fund and the Group's share of capital value was HK\$33,302,000 based on the management accounts the fund manager has provided. The total return of the Group's investment in ACIF IV was a net gain of HK\$5,332,000 for the year ended 31 December 2025 (2024: net loss of HK\$599,000). This gain was primarily from an increase in the fair value of the fund's unlisted securities. Similar to ACIF III, ACIF IV is also viewed as a long-term diversified investment in the Group's investment portfolio.



# CHIEF EXECUTIVE OFFICER'S STATEMENT

## Investment Portfolio (Cont'd)

The Group's investment portfolio as at 31 December 2025 was as follows:

Stock code / ISIN code / Bloomberg code	Investment name	Number of shares / units held as at 31 December 2025	Note	Percentage of shareholding as at 31 December 2025	Investment cost of investments held as at 31 December 2025	For the year ended 31 December 2025					Fair value as at 31 December 2025	Percentage to the Group's total assets as at 31 December 2025	Fair value as at 31 December 2024
						Fair value gain/ (loss) HK\$'000	Gain / (loss) on disposal HK\$'000	Interest income HK\$'000	Dividend income HK\$'000	Total HK\$'000			
<b>Financial Assets at fair value through profit or loss</b>													
<b>- Current assets</b>													
<b>Alternative Strategy</b>													
PRUENHN KY	Prudence Enhanced Income Fund Class A - Series 1	4		N/A	23,026	2,545	-	-	-	2,545	32,943	3.2%	30,398
AQURUT LX	AGR APEX UCITS FUND	28		N/A	23,340	624	-	-	-	624	23,964	2.3%	-
PRMSRE KY	Prudence Multi-Strategy SPC - Credit SP	2		N/A	23,340	299	-	-	-	299	23,639	2.3%	-
LI2571549042	Brookfield Infrastructure Income Fund	193		N/A	15,560	496	-	648	-	1,144	16,526	1.6%	16,030
KYG7114R4577	PMICO Private Diversified Lending Fund	2		N/A	15,560	148	-	311	-	459	15,708	1.5%	-
	Others			N/A	N/A	(23)	53	1,071	-	1,101	1,864	0.2%	20,358
<i>Subtotal</i>						4,089	53	2,000	-	6,172	114,644	11.1%	66,786
<b>Equity Strategy</b>													
FFGTJUA LX	Fidelity Global Technology Fund	21		N/A	9,725	1,189	809	-	-	1,998	10,914	1.0%	-
<i>Subtotal</i>						1,189	809	-	-	1,998	10,914	1.0%	-
<b>Money Market Investment</b>													
LU0128496485	Pictet SICAV - Pictet - Short-Term Money Market USD	-		N/A	N/A	-	99	-	-	99	-	0.0%	15,096
IE00BHRWWY64	Blackrock iCS USD Liquidity Fund accumulation class Others	-	1	N/A	N/A	-	24	-	-	24	-	0.0%	25,059
<i>Subtotal</i>						277	618	-	-	895	14,011	1.3%	-
<i>Subtotal</i>						277	741	-	-	1,018	14,011	1.3%	40,155
<i>Subtotal</i>						11,209	1,871	-	6,971	20,051	289,831	26.0%	252,200

## Investment Portfolio (Cont'd)

The Group's investment portfolio as at 31 December 2025 was as follows:

Stock code / ISIN code / Bloomberg code	Investment name	Number of shares / units held as at 31 December 2025 '000	Note	Percentage of shareholding as at 31 December 2025 %	Investment cost of investments held as at 31 December 2025 HK\$'000	For the year ended 31 December 2025					Percentage to the Group's total assets as at 31 December 2025 %		
						Fair value gain/(loss) HK\$'000	Gain / (loss) on disposal HK\$'000	Interest income HK\$'000	Dividend income HK\$'000	Total HK\$'000	Fair value as at 31 December 2025 HK\$'000	Fair value as at 31 December 2024 HK\$'000	
<b>Financial Assets at fair value through profit or loss</b>													
<b>- Current assets</b>													
<b>B. Discretionary Investment Portfolio, at fair value</b>													
<i>1) Managed by Morgan Stanley Asia International Limited</i>													
<i>Listed and Unlisted</i>													
	Mainly Money market fund, Bond fund, Equity fund and ETF	2		N/A	N/A	6,051	803	–	109	6,963	56,768	50,287	5.5%
	<i>Subtotal</i>					6,051	803	–	109	6,963	56,768	50,287	5.5%
<i>2) Managed by LGT Bank (Hong Kong)</i>													
<i>Listed and Unlisted</i>													
	Corporate bond	3		N/A	N/A	1,077	(116)	2,137	–	3,098	47,266	41,530	4.6%
	<i>Subtotal</i>					1,077	(116)	2,137	–	3,098	47,266	41,530	4.6%
<i>3) Managed by LBS AG (Hong Kong)</i>													
<i>Listed and Unlisted</i>													
	Equity and Fund	4		N/A	N/A	329	168	–	167	664	16,064	–	1.5%
	<i>Subtotal</i>					329	168	–	167	664	16,064	–	1.5%
	<b>Subtotal</b>					7,457	855	2,137	276	10,725	120,098	91,817	11.6%

# CHIEF EXECUTIVE OFFICER'S STATEMENT

## Investment Portfolio (Cont'd)

The Group's investment portfolio as at 31 December 2025 was as follows:

Stock code / ISIN code / Bloomberg code	Investment name	Number of shares / units held as at 31 December 2025	Note	Percentage of shareholding as at 31 December 2025	Investment cost of investments held as at 31 December 2025	For the year ended 31 December 2025						Fair value as at 31 December 2024	
						Fair value gain/ (loss) HK\$'000	Gain / (loss) on disposal HK\$'000	Interest income HK\$'000	Dividend income HK\$'000	Total HK\$'000	Fair value as at 31 December 2025 HK\$'000		Percentage to the Group's total assets as at 31 December 2025 %
<b>Financial Assets at fair value through profit or loss</b>													
<b>- Current assets</b>													
<i>C. USD-denominated corporate bond</i>													
<i>Listed</i>													
US95000U3A91	Wells Fargo & Co 4.80% Medium Term Notes	1,500	5	N/A	11,661	142	-	483	-	625	11,803	1.2%	-
US92277GAM96	Ventas Realty LP 4% Notes	1,500	5	N/A	11,406	246	-	402	-	648	11,652	1.1%	-
	Others			N/A	N/A	73	-	39	-	112	1,416	0.1%	1,344
	<b>Subtotal</b>					461	-	924	-	1,385	24,871	2.4%	1,344
<b>- Non-current assets</b>													
<b>D. Other Fund Investments, at fair value</b>													
<i>Unlisted</i>													
	Private Equity Fund												
N/A	ASEAN China Investment Fund III L.P.	3,982	6	1.532%	24,447	2,969	-	-	577	3,546	19,280	1.9%	16,113
N/A	ASEAN China Investment Fund IV L.P.	3,984	6	1.649%	30,790	5,260	-	-	72	5,332	33,302	3.2%	27,297
	<b>Subtotal</b>					8,229	-	-	649	8,878	52,582	5.1%	43,410
	<b>Total</b>					27,356	2,726	3,061	7,886	41,039	467,382	45.1%	388,771

Notes:

- 1) Include investments disposed during the year and the Group's current holding of 2 investments in USD money market funds held at the year end. The carrying value of each of these investments represents less than 1% of the total assets of the Group as at 31 December 2025.
- 2) Include investments disposed during the year and the Group's current holding of 20 investments, mainly denominated in USD, in unlisted bond, equity and money market funds, and listed equity and alternative ETFs held at the year end. The carrying value of each of these investments represents less than 1% of the total assets of the Group as at 31 December 2025.
- 3) Include investments disposed during the year and the Group's current holding of 55 investments in listed and unlisted global corporate bonds, mainly denominated in USD, with fixed tenor, held at year end. The carrying value of each of these investments represents less than 1% of the total assets of the Group as at 31 December 2025.
- 4) Including equity/fund investments disposed during the year and current holding of 34 investments in listed equity and unlisted fund investment held at year end. The carrying value of each of these investments represents less than 1% of the total assets of the Group as at 31 December 2025.
- 5) Represents the nominal value of USD-denominated corporate bond with fixed tenor, in Thousand US Dollars, which the Group held as at 31 December 2025.
- 6) Represents the paid-up amount of the Partners' capital, in Thousand US Dollars, which the Group had paid as at 31 December 2025.
- 7) For the investments with carrying value of more than 1% of the Group's total asset held as at 31 December 2025.

### **SWANK (Discontinued Operation)**

After the closure of SWANK's Central flagship store in August 2024, a pop-up store was opened in Lee Garden Two, Causeway Bay in September 2024. Even though our experienced frontline sales staff brought their best retailing skills over to another prime luxury shopping area of Hong Kong, it was very competitive in a new environment which did not have as many SWANK's VIP customers.

The lease of the other remaining store in Elements shopping mall came to an end in March 2025. The sales performance of this store had been mixed and not profitable, hence it was decided to not renew the lease and consolidate the merchandise into the Lee Garden pop-up store which traded up to end September 2025.

By applying attractive mark downs, nearly all of the stock on hand were sold out in the Ap Lei Chau outlet store before the end of its lease in November 2025.

### **MATERIAL ACQUISITION AND DISPOSAL OF INVESTMENTS**

The Group had no material acquisition and disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2025.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### KEY RISKS AND UNCERTAINTIES

The Group's business prospects, operating results and financial position have been and will continue to be affected by a number of risks and uncertainties. The following sections identify the key risks and uncertainties facing the Group. It is a non-exhaustive list and there may be other risks and uncertainties additional to the ones outlined below.

#### Business Risk

##### *Fashion Retail Business*

As mentioned elsewhere in this report, the fashion retail business ceased operations in November 2025. Prior to its cessation, the business was exposed to strategic and operational risks inherent in fashion retail operations, including the ability to secure and retain retail premises at commercially acceptable terms, manage supplier and brand relationships amid declining sales volumes, respond to competition from alternative online sales channels, and safeguard customer data in compliance with applicable data privacy requirements. These risks were monitored and managed through established internal controls, policies and oversight mechanisms to minimise any adverse impact on the Group.

##### *Hilltop property*

After the cessation of the Club's operations on 16 June 2024, the Company has continued to carry out necessary maintenance of the grounds and implement security measures on the premises to ensure ongoing safety and compliance with applicable rules and regulations of relevant government authorities, including the Fire Services Department, Buildings Department and Lands Department. The Company has engaged relevant external professional vendors to assist in meeting all the relevant requirements.

##### *Investments in Financial Instruments*

The Group's investment portfolio faces different kinds of market risk. In recent years, central bank of major financial markets maneuvered their monetary policies more actively to achieve economic goals of stimulating growth of the country's economy and stabilizing the labour market. Such intervening actions have caused volatility in both fixed income and equity markets of varying magnitudes which can significantly impact the marked to market price of the Group's investments. In addition, fluctuation in the global, regional or local financial market conditions, and the political and economic factors in relevant countries or business sectors may also result in realised or unrealised loss on the Group's investment portfolio.

In addition to the above market risks, financial instruments investment also faces issuer risk, liquidity risk and currency risk. Issuer risk refers to the ability of an Issuer, and/or a Guarantor (if any) associated with a specific security, to meet its payment obligation to investors. This could have major impact on the return and valuation of the investment. Liquidity risk consists of secondary market risk and redemption risk. An investment product may have no buyer, or the bid price may be below the original purchase price in the secondary market and/or there might be redemption restrictions for certain investments. Currency risk refers to the fact that if a product is denominated in a currency other than the Group's base currency, fluctuation in the rate of exchange may have an adverse effect on the value, price or income in respect of the investment.

The Board has overall responsibility for the stewardship of shareholders' funds. Primary oversight of the Group's investment activities has been delegated to the Investment Committee, which is comprised of Directors of the Company, operating under a clearly defined term of reference approved by the Board. The Investment Committee reports regularly to the Board on asset allocation, investment portfolio performance and any major issues arising from the investment activities. The Investment Committee is responsible for approving, monitoring and reviewing investments within delegated authority. Investment activities are monitored and reviewed regularly to ensure alignment with the Group's risk appetite and the long-term interests of shareholders.

The Group's investment activities are governed by a formal Investment Policy & Guidelines document (the "Investment Policy") approved and regularly reviewed by the Investment Committee. The Investment Policy provides a disciplined framework for deploying surplus funds not immediately required for operations and defines the investment objectives, permissible investment scope and prohibited investment activities. The principal objectives are to generate income and achieve medium-term value appreciation, while preserving capital, maintaining adequate liquidity and managing risk prudently. In addition to the Investment Policy, there is also a comprehensive risk management and internal control framework to govern the investment activities. Defined risk management and internal control measures and limits (where applicable) are put in place to manage market, credit, liquidity, foreign currency, counterparty and concentration risks. In particular, counterparty risk is managed through established evaluation criteria on fund manager selection, including performance track record, appropriate regulatory licensing, and adequate resources and experience. Liquidity management is carried out via asset allocation of cash investments, ensuring sufficient funds are held in cash and highly liquid money market instruments to meet operational needs, and illiquid investments are subject to pre-approved limits.

### **Strategic Direction Risk**

The success of the Group's operations depends on achieving the strategic objectives, tied in with creating long-term value for shareholders, which may be through acquisitions, joint ventures, dispositions or restructurings. The Group faces risk in its application of assets and capital towards suitable investments and seizure of business and investment opportunities when they arise.

Appropriate measures have been put in place by Management to implement strong budget control and appropriate variance analysis to enable intelligent input to strategic decisions. The Board of Directors, with its broad and diverse knowledge and experience, has continued to provide strategic thinking and leadership, as well as oversight on behalf of all shareholders, in steering the direction and setting the parameters of the Group's decision-making. Implementation of, and performance against, appropriate strategy is monitored at both Management and Board level through regular updates and open communication.

### **Cyber risk and security and data fraud or theft**

Cyber-attacks on the Group's information technology ("IT") systems may result in serious consequences, including significant business disruption. Data breaches may also lead to the unauthorized disclosure of information and improper access to the Group's data, which could adversely affect the Group's business integrity and result in potential non-compliance with applicable laws and regulations.

Given the global environment in which cyber-attacks and data breaches have become increasingly prevalent, cybersecurity and data protection are of critical importance to the Group. Accordingly, the Group has established Information Technology Security Policy and documented comprehensive internal control guidelines under the Internal Control Handbook. These documents are reviewed and updated periodically, as required.

The Group has put in place the following key IT security measures:

- (a) Implemented Next-Generation Firewall and upgraded with feature of zero-day protection.
- (b) Used Endpoint Protection (anti-virus) with periodical signature and engine updates.
- (c) Engaged email filtering service of a professional security vendor.
- (d) Data is backed up on a periodic basis.
- (e) Apply appropriate operating system security patch updates provided by software vendors.
- (f) Review the IT Risk Register and Internal Control Handbook annually.
- (g) Perform regular network security assessments.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### Manpower and Retention Risks

Owing to an aging population and a shrinking workforce, Hong Kong suffers from labour shortage in many sectors. Hence the competition for acquiring high calibre and competent talent in the open market within which the Group operates is high, making the goal to minimise input costs challenging. This in turn increases the risk of not being able to attract and retain key staff personnel and talent with appropriate and required skills, experience and competence to deliver the Group's business objectives. Therefore, in recognizing this risk whilst keeping consistent with the need to manage expenditure, the Group has continued to provide competitive remuneration packages, good staff welfare and benefits to mitigate high turnover. Effective and regular performance evaluation has also been carried out in order to reward outstanding employees.

### Legal and Compliance Risks

Legal and compliance risks relate to risks arising from the government and regulatory environment which the Group trades in, including those arising from our obligations to The Stock Exchange of Hong Kong Limited and Securities and Futures Commission, and action risks in relation to legal proceedings and compliance with local laws and regulations, including those relating to financial reporting, labour and environmental protection, prevention of corruption and health and safety.

We are exposed to certain legal risks in the course of operating our businesses, which may lead to enforcement actions, fines and penalties or the assertion of litigation claims and damages. While we believe that we have adopted appropriate risk management and compliance programs, and where necessary taken appropriate steps or made what we consider to be appropriate provisions, legal and compliance risks will continue to exist with possible legal exposures and other contingencies, the outcome of which cannot be predicted with certainty.

### Financial Risks

The Group is exposed to financial risks including foreign exchange risk, pricing risk, credit risk, liquidity risk and interest rate risks in the normal course of its business. For further details of such risks and relevant policies, please refer to Note 6 to the consolidated financial statements.

### Macro-economic, Political Instability and Business Continuity Risk

The Group ran varied operations that were exposed to changing economic environments, social and political developments that may impact sales revenue, disrupt operations and effect profitability. Adverse macro-economic conditions, social unrest or mass virus spread may impact the spending habits of consumers, investment returns and asset valuations, and in turn our operations and overall financial performance. Any major disruptive event could make it challenging for the Group to continue its normal day-to-day business activities.

Looking ahead, the Group will adopt operating strategy that helps to mitigate the risk of reliance on particular investments. The Group has developed and continues to refine its business contingency plans and arrangements to ensure preparedness and business continuity. The Group's IT systems have specific disaster recovery arrangements and capability to support remote working and away from the head office operation, if employees are unable to return to the office.

## TREASURY MANAGEMENT/POLICIES

As part of the ordinary activities of the Group, Treasury actively projects and manages the cash balance and borrowing requirements of the Group to ensure sufficient funds are available to meet the Group's commitments and day-to-day operations. The Group's liquidity and financial requirements are reviewed regularly. To minimise risk, the Group continues to adopt a prudent approach regarding cash management and foreign currency exposure. Treasury is permitted to invest cash in short-term deposits subject to specified limits and guidelines that are also in place for forward foreign exchange contracts which are utilized when considered appropriate to mitigate foreign exchange exposures.

The Group's cash and bank balances are mainly denominated in United States Dollars ("USD") and Hong Kong Dollars ("HKD"), with insignificant amounts in Euro and a relatively small portion of the investment portfolio is denominated in currencies other than USD and HKD. The Group will, from time to time, review its position and market conditions to determine the amount of hedging (if any) that is required.

## LIQUIDITY AND FINANCIAL POSITION

As at 31 December 2025, the Group was in a solid financial position with cash and non-pledged deposit holdings of HK\$192,361,000 (31 December 2024: HK\$236,464,000). Total lease liabilities amounted to HK\$835,000 (31 December 2024: HK\$3,158,000) with repayment of HK\$835,000 (31 December 2024: HK\$2,323,000) falling due within one year. As previously reported and elaborated above, the Group has invested a substantial proportion of the cash and non-pledged deposit holdings in unitized open-end equity and bond funds since the second half of 2018 and continued to stay invested. The Group will retain sufficient cash deposits for its regular operating activities in Treasury and has chosen to invest in marketable funds to ensure that there is more than adequate liquidity.

As at 31 December 2025, the Group's gearing ratio (a comparison of total borrowings (HK\$Nil for both years ended 31 December 2025 and 2024) and lease liabilities with equity attributable to equity holders of the Company) was 0.1% (31 December 2024: 0.3%) and is in a sound financial position with its current ratio (current assets over current liabilities) standing at 60.8 times (31 December 2024: 46.3 times). This favorable financial position together with tight-cost management will provide support for the long-term prospects of the Group.

As at 31 December 2025, the Group's bank balances were denominated primarily in United States Dollars and Hong Kong Dollars, and exchange differences were reflected in the audited consolidated financial statements.

## PLEDGE OF ASSETS

As at 31 December 2024, HK\$10,000,000 of the Group's fixed deposits were pledged to a bank to secure trade banking facilities of up to HK\$30,000,000 and foreign exchange facilities. In December 2025, the trade banking facilities were withdrawn after the discontinuation of the Group's fashion retail business on 30 November 2025, and the relevant pledge of the Group's fixed deposit was released.

## CHIEF EXECUTIVE OFFICER'S STATEMENT

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year, prior to the cessation of the fashion retail business in November 2025, SWANK operated strictly in compliance with the requirements under the Sales of Goods Ordinance, the Trade Descriptions Ordinance and the Competition Ordinance in respect of the sale of merchandise in Hong Kong. In addition, SWANK strictly observed the Personal Data (Privacy) Ordinance in the collection and processing of customers' personal information, ensuring privacy protection.

The Group's investments in financial instruments complies with the Securities and Futures Ordinance ("SFO") and the disclosure requirements under the Listing Rules.

In relation to Human Resource Management, the Group is committed to complying with the requirements of all applicable ordinances including the Employment Ordinance, the Employees' Compensation Ordinance, the Minimum Wage Ordinance, the Mandatory Provident Fund Schemes Ordinance, the Occupational Retirement Schemes Ordinance, the Personal Data (Privacy) Ordinance, ordinances which deal with discrimination against disability, sex, family status and race, and ordinances relating to occupational safety of staff, so as to safeguard the interests and well-being of employees. The Group also values good conduct of employees and endeavors to safeguard shareholder funds and integrity of its businesses and business decisions and has thus adopted a Code of Conduct which sets out clear guidelines on prevention of bribery and to regulate and restrict the acceptance of benefits by employees.

At the corporate level, the Group complies with the requirements under the Companies Ordinance, the Listing Rules and the SFO for, among other things, the disclosure of information and proper and effective corporate governance.

To ensure that the Group complies with relevant laws and regulations, Management regularly reviews its practices to keep up to date with the latest developments in regard to all relevant laws and regulations. Training on important topics such as the anti-corruption procedures and practices are provided periodically. Appropriate policies and procedures have been put in place to ensure compliance with the relevant laws and regulations. These policies and procedures are reviewed and updated where necessary. Management and business unit/department heads attend external seminars and workshops on a regular basis to keep informed of the latest developments in regard to all relevant laws and regulations. During the year ended 31 December 2025, the Group was not aware of any non-compliance with any relevant laws and regulations that had a significant impact on the Group.

### IMPORTANT EVENTS AFTER THE FINANCIAL YEAR

There have been no important events significantly affecting the finances and future prospects of the Group that have occurred since the end of the financial year and up to the date of this report.

### EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2025, the Group had a total of 15 staff, including one Executive Director, compared to 39 staff as at 31 December 2024. Total employee costs (including Directors' emoluments) were approximately HK\$14,049,000 (2024 (restated): HK\$15,323,000) from continuing operations and HK\$5,293,000 (2024 (restated): HK\$20,458,000) from discontinued operations, totaled HK\$19,342,000 (2024: HK\$35,781,000) from all operations for the year ended 31 December 2025. Employees' remuneration is determined with reference to individuals' duties, responsibilities and performance. The Group provides employee benefits such as staff medical and life insurance schemes, provident and pension funds, sales commissions, discretionary performance bonuses and internal/external training support. The Group has a comprehensive Code of Conduct to be adhered to by all Group employees (including Executive Directors).

## **FUTURE OUTLOOK AND STRATEGIES**

### **Hilltop Property**

The Group will continue to push forward the land exchange application process of Hilltop land. A number of external consultants with appropriate expertise have been engaged to support Management and work closely with all the relevant government departments to promptly deliver the necessary responses to facilitate, and where possible, expediate the land exchange application process.

As mentioned elsewhere in this report, the Board has also commenced a strategic review of the Hilltop land, with the aim of realizing the optimal value to shareholders, through the engagement of professional advisers to assess all feasible strategic options. The strategic review remains ongoing, the Company will make further announcements as and when necessary, in accordance with the Listing Rules and the Securities and Futures Ordinance.

### **Investments in Financial Instruments**

The performance of global investments markets continued to be buoyant heading into 2026, with most of the financial markets registering positive returns, although similar to the start of 2025, the US market has underperformed other countries and region, as investors continue to look for opportunities to diversify away from US dollar assets amid the rising uncertainties in the stability of the US market.

It is widely expected that the financial markets, in particular the equity markets, to remain volatile in the coming year, driven by the risks of trade conflict between the US and other nations, rising geo-political tension, the uncertainty of the US interest rate cut and potential sticky inflation. These risks will pose threats to the sustainability and continuity of the gains in the investment markets. Hence, the Group will continue a prudent approach to balance the risks and reward of investment through diversification of securities type, geography and industries.

### **Penny Soh Peng CROSBIE-WALSH**

*Executive Director and Chief Executive Officer*

Hong Kong, 27 March 2026

# BIOGRAPHIES OF DIRECTORS

## EXECUTIVE DIRECTOR

**Mrs. Penny Soh Peng CROSBIE-WALSH** (Former Name: Soh Peng LEE), aged 58, has been an Executive Director of the Company since November 2021 and the Chief Executive Officer of the Company since February 2022. Mrs. Crosbie-Walsh is the chair of the Investment Committee and a member of the Corporate Governance Committee of the Company, and a director of all subsidiaries of the Company. She was the Chief Operating Officer of the Company from July 2021 to January 2022.

Before joining the Group, Mrs. Crosbie-Walsh held various positions in areas of operations, accounting and finance, internal audit and board directorship in a variety of industries that span across non-governmental organisation (“NGO”), consumer goods, fashion retail, professional accounting and legal firms. Mrs. Crosbie-Walsh held the positions of Director of Operations for the Corporate Finance & Reconstruction division of PricewaterhouseCoopers Hong Kong and financial controller at Marks and Spencer (Hong Kong) Limited (now known as ALF Retail Hong Kong Limited). Mrs. Crosbie-Walsh has been working in Hong Kong since she joined the internal audit department of Philip Morris (Hong Kong) Limited in 1993. Mrs. Crosbie-Walsh obtained her Chartered Accountant qualification during her employment at KPMG Australia in Melbourne and holds a Bachelor of Economics degree in Accounting from La Trobe University in Melbourne, Australia.

Mrs. Crosbie-Walsh is currently a Board director of a local NGO, Harmony House Limited (“HHL”), and also holds positions as chair of their staffing committee as well as a member of HHL’s various other board-level committees.

## NON-EXECUTIVE DIRECTOR

**Mr. Hung Han WONG**, aged 54, has been a Non-executive Director and the Non-executive Chairman of the Board of the Company since June 2021. Mr. Wong is a member of the Audit Committee, the Investment Committee and the Remuneration Committee of the Company.

Mr. Wong is currently an executive director and the Chief Operating Officer of Chinachem Group, an appointment he held since 2018. He has been a member of the Executive Committee since 2016 which subsequently transitioned to be the Chinachem Group board in 2024. Mr. Wong has over 30 years of experience spanning the information technology, consultancy and real estate industries. His career started with Hewlett-Packard, a US multi-national corporation which provided IT products and services. Thereafter, he spent a couple of years as a consultant in PricewaterhouseCoopers prior to joining Chinachem Group in 2013. Mr. Wong holds a Master of Science in Real Estate degree from the University of Hong Kong, a Master of Business Administration degree from the Hong Kong University of Science and Technology and a Bachelor of Science (Computer and Information Sciences) degree from the National University of Singapore.

Mr. Wong was a non-executive director of Pine Care Group Limited (delisted from The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 29 February 2024) from October 2022 to February 2024.

Mr. Wong is a director and a member of the Strategic Investment Committee of Chinachem Group Holdings Limited, which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Furthermore, he is a director of Milestone Management Limited, which is a corporate director of Chinachem Investments Holding Limited, Diamond Leaf Limited and Solution Bridge Limited, entities that are also substantial shareholders of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Kin Wing CHEUNG**, aged 71, has been an Independent Non-executive Director of the Company since June 2016. Mr. Cheung is the chair of the Audit Committee and the Nomination Committee, and a member of the Investment Committee and the Remuneration Committee of the Company.

Mr. Cheung has extensive experience in information technology, financial accounting, auditing and management. Since February 1999, he has been a director and lead consultant of Sunplex Consultants Limited, a company providing human resources management and information technology consultancy services to its clients (including government organisations and private companies). Mr. Cheung had held several positions, including assistant manager, manager and senior manager in Coopers & Lybrand (now known as PricewaterhouseCoopers) between September 1980 and March 1995 and was a partner of Coopers & Lybrand (now known as PricewaterhouseCoopers) from March 1995 until his resignation in May 1999. He was a director of the finance and operation department of the Hong Kong Institute of Certified Public Accountants between July 2004 and April 2008 and a consultant of the Hong Kong Institute of Certified Public Accountants between April 2008 and August 2008. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Institute of Chartered Accountants in England and Wales. Mr. Cheung holds a Bachelor of Commerce degree from the University of Calgary, Canada.

Mr. Cheung is currently an independent non-executive director of BaWang International (Group) Holding Limited (stock code: 1338) and Kin Pang Holdings Limited (stock code: 1722), all being companies listed on the Main Board of the Stock Exchange.

Mr. Cheung was an independent non-executive director of Trio Industrial Electronics Group Limited (stock code: 1710), a company listed on the Main Board of the Stock Exchange from February 2017 to May 2022. He was also an independent director of AXA China Region Trustees Limited, a provider of investment and retirement solutions, from August 1999 to August 2015, an independent non-executive director of Bank of Communications Trustee Limited, a trust company, from November 2003 to January 2018, and a director of Self Strengthening Service Centre Limited, which is an NGO engaged in charitable activities to help the underprivileged, from September 2019 to April 2025.

**Ms. Imma Kit Sum LING**, aged 71, has been an Independent Non-executive Director of the Company since January 2024. Ms. Ling is the chair of the Remuneration Committee, and a member of the Audit Committee, the Corporate Governance Committee and the Nomination Committee of the Company.

Ms. Ling is a Certified Public Accountant (Practising) and is a retired assurance partner of PricewaterhouseCoopers. She has extensive experience in accounting, auditing, due diligence and initial public offerings. Ms. Ling is a member of the Hong Kong Institute of Certified Public Accountants, a fellow of the Association of Chartered Certified Accountants, a member of the Chartered Professional Accountants of Ontario, Canada and a member of Chartered Institute of Management Accountants. She is also an accredited general mediator of the Hong Kong Mediation Accreditation Association Limited. Ms. Ling holds a Diploma in Accountancy from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) and a Master of Science in Corporate Governance and Directorship (Distinction) from the Hong Kong Baptist University.

Ms. Ling is currently an independent non-executive director of Chinney Kin Wing Holdings Limited (stock code: 1556), EVA Precision Industrial Holdings Limited (stock code: 838), Melbourne Enterprises Limited (stock code: 158) and Raymond Industrial Limited (stock code: 229), all being companies listed on the Main Board of the Stock Exchange. Ms. Ling currently holds the following key positions in public service: council member and treasurer of The Education University of Hong Kong, member of the Advisory Board of Hong Kong Institute of Information Technology of Vocational Training Council, member of the Panel of Review Boards on School Complaints of the Education Bureau, executive committee member of Hong Kong Youth Hostels Association, council member and honorary secretary of The Hong Kong Federation of Youth Groups, and independent manager of the incorporated management committee of Ng Yuk Secondary School, an aided school.

## BIOGRAPHIES OF DIRECTORS

Ms. Ling was an independent non-executive director of Digital Hollywood Interactive Limited (stock code: 2022) from November 2017 to June 2021, Wise Ally International Holdings Limited (stock code: 9918) from December 2019 to June 2023 and Arta TechFin Corporation Limited (stock code: 279) from October 2021 to December 2025, all being companies listed on the Main Board of the Stock Exchange. In public service, Ms. Ling was a member of the Appeal Board Panel (Town Planning) from October 2016 to September 2022, a member of the Hospital Governing Committee of Rehabaid Centre, Kwong Wah Hospital and TWGHs Wong Tai Sin Hospital from April 2015 to March 2022, a board member of the Estate Agents Authority from November 2015 to October 2021, and a board member of the Employees Compensation Assistance Fund Board from July 2006 to June 2012.

**Mr. Hin Fun Anthony TSANG**, aged 65, has been an Independent Non-executive Director of the Company since January 2024. Mr. Tsang is the chair of the Corporate Governance Committee, and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee of the Company.

Mr. Tsang is a Certified Public Accountant with extensive experience in auditing, accounting, risk management and corporate restructuring. He started his career in Coopers & Lybrand (now known as PricewaterhouseCoopers) and left after working there for nine years. Since then, he held various senior positions in different companies in Hong Kong, including five companies listed on the Stock Exchange. He is currently the managing director of a consultancy firm advising on corporate and debt restructuring. Mr. Tsang holds a Master of Business Administration degree from the City Polytechnic of Hong Kong (now known as City University of Hong Kong) and is a fellow member of the Hong Kong Institute of Certified Public Accountants.

Mr. Tsang is currently an independent non-executive director of Goldwind Science & Technology Co., Ltd. (stock code: 2208) and Yangtze Optical Fibre and Cable Joint Stock Limited Company (stock code: 6869), all being companies listed on the Main Board of the Stock Exchange. Mr. Tsang currently holds the following key positions in public service: board member of the Hospital Authority and chairman of its Audit and Risk Committee, member of the Hospital Governing Committee of Pamela Youde Nethersole Eastern Hospital, member of the Finance and Capital Works Sub-committee of Tuen Mun Hospital, member of Audit Committee of Hong Kong Anti-Cancer Society, and member of the School Management Committee of Diocesan Preparatory School, an aided primary school.

Notes:

1. Directors' emoluments are determined with reference to the Company's Directors Remuneration Policy, a summary of which is set out in the Corporate Governance Report on page 40. The details of the emoluments of the Directors on a named basis are disclosed in note 15 to the consolidated financial statements.
2. An Executive Director does not have any fixed term of service with the Company and is subject to retirement by rotation in accordance with the Company's Articles of Association.
3. All Non-executive Directors and Independent Non-executive Directors are appointed for a specific term of approximately two years commencing from the date of the annual general meeting at which they are re-elected and expiring at the annual general meeting to be held two years thereafter, and are subject to retirement by rotation in accordance with the Company's Articles of Association.
4. Save as disclosed above, none of the Directors (i) holds any other position with the Company or any of its subsidiaries; (ii) held a directorship in any other listed public companies in the past three years; and (iii) has any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

## BIOGRAPHIES OF SENIOR MANAGEMENT

**Ms. Ha Wan TONG**, aged 42, joined the Group in June 2018 and is currently the Finance Director of the Company. Ms. Tong was the Head of Internal Audit before her appointment as Finance Director in July 2024. Ms. Tong has extensive experience in accounting, auditing and internal control at a senior level in both listed and unlisted companies in Hong Kong. Prior to joining the Company, Ms. Tong held senior positions at a Hong Kong listed apparel company with over a thousand points-of-sale in China (including Hong Kong and Macau), as well as at one of the big four international accounting firms. Ms. Tong is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and holds a Bachelor of Business Administration degree from the City University of Hong Kong.

**Ms. Pui Man CHENG**, aged 53, joined the Group in September 1999. Ms. Cheng is the Company Secretary of the Company. Prior to her current role, Ms. Cheng was a financial controller of the Company until June 2001. Before joining the Group, Ms. Cheng worked in the audit and assurance department of an international accounting firm in Hong Kong. Ms. Cheng is a fellow member of the Hong Kong Institute of Certified Public Accountants, and a member of The Hong Kong Chartered Governance Institute and The Chartered Governance Institute. Ms. Cheng holds a Bachelor of Business Administration degree.

# CORPORATE GOVERNANCE REPORT

## CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain good corporate governance standards and procedures to ensure the integrity, transparency and quality of disclosure to enhance shareholders' value and safeguard the rights of shareholders and other stakeholders.

The Stock Exchange's Corporate Governance Code (the "CG Code") in Appendix C1 of the Listing Rules forms the basis of the Company's Corporate Governance Practice Manual (the "CG Practice Manual"). The Board recognises the principles underlying the CG Code and has incorporated all of them to the CG Practice Manual and other corporate governance policies of the Group.

Ongoing and annual evaluations, with the aid of checklists if applicable, are conducted and documented to ensure compliance with the corporate governance procedures. Hence, in the opinion of the Directors, the Company has complied with all Code Provisions of the CG Code throughout the year ended 31 December 2025.

## CORPORATE CULTURE

The Board believes that a healthy and clearly defined corporate culture underpins the sustainable development of the Group. The Board sets and promotes corporate culture that aligns with the Group's purpose, values and business strategies in the following key aspects:

- (a) Integrity in business dealings and compliance with regulations;
- (b) Accountability;
- (c) High transparency and open communication throughout the Group;
- (d) Value human capital with staff incentive scheme; and
- (e) Corporate responsibility to the environment and community.

## BOARD OF DIRECTORS

### Board Composition

As of the date of this report, the Board comprised five Directors, including one Executive Director, namely Mrs. Penny Soh Peng CROSBIE-WALSH (also the Chief Executive Officer); one Non-executive Director, namely Mr. Hung Han WONG (also the Non-executive Chairman); and three Independent Non-executive Directors ("INEDs"), namely Mr. Kin Wing CHEUNG, Ms. Imma Kit Sum LING and Mr. Hin Fun Anthony TSANG. The Directors' biographical details are set out in "Biographies of Directors" on pages 26 to 28 of this annual report and are also available on the Company Website. An up to date list of the Directors and their roles and functions is available on the Company Website and Hong Kong Exchanges and Clearing Limited's Website ("HKEx Website"). All Directors, including INEDs, are also identified as such in all corporate communications that disclose the names of Directors.

To the best knowledge of the Directors, there is no financial, business, family or other material relationship among the Directors. All of them are free to exercise their independent judgment.

## Board Independence

The Company acknowledges that the independence of the Board is crucial to good corporate governance. To ensure independent views and input are available to the Board, the Company has put in place the following mechanisms in its corporate governance framework:

### (a) Composition of the Board and Board Committees

The number of INEDs represents at least one-third of the Board as required by Rule 3.10A of the Listing Rules. In addition, as required by Rule 3.10(2) of the Listing Rules, at least one of the INEDs has appropriate professional qualifications, or accounting or related financial management expertise.

The Board comprises of three INEDs, and all the Board Committees complied with the requirements prescribed by the Listing Rules as to the composition of each Board Committee.

A minimum of one INED has been appointed to all the Board Committees to ensure independent views are available.

### (b) Independence Assessment

The Nomination Committee must strictly adhere to the Nomination Policy and the independence assessment criteria as set out in the Listing Rules with regard to the nomination, appointment and re-appointment of INEDs.

Each INED is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence.

All INEDs met the guidelines for assessing independence as set out in Rule 3.13 of the Listing Rules (the "Independence Guidelines") during the year ended 31 December 2025. The Company has received from each of the INEDs an annual confirmation of independence and still considers them to be independent.

### (c) Compensation

No equity-based remuneration (e.g. share options or grants) with performance related elements is granted to INEDs as this may lead to bias in their decision making and compromise their objectivity and independence.

### (d) Board Decision Making

INEDs (similar to other Directors) are entitled to seek further information and documentation from Senior Management on the matters to be discussed at Board meetings. They can also seek independent professional advice, in accordance with the stated procedures set out in the CG Practice Manual, at the Company's expense.

INEDs (as with other Directors) shall not vote or be counted in the quorum on any board resolution approving any contract or arrangement in which such Director or any of his/her close associates has a material interest.

The Chairman of the Board shall hold meetings with the INEDs without the presence of other Directors to discuss any major issues or concerns at least annually.

The Board has reviewed the implementation and effectiveness of the above mechanisms and considered them to have been effectively implemented throughout the year ended 31 December 2025.

## Role of the Board

The Board is accountable to the Shareholders for leading the Group in a responsible and effective manner. Directors are responsible to the Shareholders for the manner in which the affairs of the Company are managed, controlled and operated and for promoting the success of the Company by directing and supervising its affairs. The Board has adopted its terms of reference which set out the duties, powers and functions of the Board. The primary responsibilities of the Board are as follows:

- To manage the business of the Group;
- To lead and provide direction to Senior Management by laying down strategies and overseeing their implementation;
- To oversee all matters relating to, and to formulate policies in relation to the Group's internal control, risk management, corporate governance and social responsibility, investment management, the succession, remuneration and compensation for Directors and employees, and to supervise the implementation of such policies;
- To monitor the Group's operational and financial performance;
- To review and approve the annual report and accounts of the Group; and
- To ensure sufficient communication with stakeholders, including shareholders and employees.

## Non-executive Chairman and Chief Executive Officer

The Non-executive Chairman and the Chief Executive Officer positions are currently held by Mr. Hung Han WONG, a Non-executive Director and Mrs. Penny Soh Peng CROSBIE-WALSH, an Executive Director respectively.

The Non-executive Chairman is responsible for leading the Board, drawing up and approving Board meeting agenda, making sure that matters proposed by all Directors are taken into account for inclusion, facilitating effective contributions from and dialogue with all Directors and promoting constructive relations between them, ensuring that all Directors are properly briefed on issues arising at Board meeting and that they receive accurate, timely and clear information, and ensuring that good corporate governance practices and procedures are established.

The Chief Executive Officer is responsible for leading Senior Management in the day-to-day operation and management of the Group's business, managing the Company's relationships with its stakeholders, proposing, developing and implementing the Group's strategies and policies in pursuit of its objectives set by the Board, and putting in place programmes for management development and succession.

Division of responsibilities between the Non-executive Chairman and the Chief Executive Officer is clearly defined in the Company's CG Practice Manual.

## Appointments, Re-election and Removal of Directors

All Directors have received a formal letter of appointment setting out the key terms of their appointment. In accordance with Article 94 of the Company's Articles of Association, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election. In accordance with Article 103 of the Company's Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, or such higher number of Directors to be determined by the Board, shall retire from office by rotation but shall be eligible for re-election, provided that every Director shall be subject to retirement at least once every three years. The Directors (including those appointed for a special term) to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot.

All Non-executive Director and INEDs are appointed for a specific term of approximately two years commencing from the date of the annual general meeting at which they are re-elected and expiring at the annual general meeting to be held two years thereafter, and are subject to retirement by rotation in accordance with the Company's Articles of Association.

## Diversity and Succession Planning

### *Board Diversity*

The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. The Board has adopted a Board Diversity Policy that sets out the approach to achieving diversity in its composition. In deciding the members of the Board, consideration is given to a number of measurable objectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experiences, skills, knowledge and the length of service with the Company.

All Board appointments are based on merit against the objective criteria and contribution that the candidate will bring to the Board, having due regard to the benefits of diversity on the Board and also taking into account the corporate strategy and business operations of the Company. The Nomination Committee reviews the implementation of the Board Diversity Policy annually to ensure its effectiveness.

## CORPORATE GOVERNANCE REPORT

The following chart shows the profile of the Board as at the date of this Corporate Governance Report:

Designation	ED	NED	INED	
	1 Director	1 Director	3 Directors	
Gender	Female		Male	
	2 Directors		3 Directors	
Age Group	50 – 59		60 – 69	70 – 74
	2 Directors		1 Director	2 Directors
Ethnicity	Chinese			
	5 Directors			
Directorship with the Company	<6 years			>6 – 9 years
	4 Directors			1 Director
Directorship(s) with other listed company	0		1 – 4	
	2 Directors		3 Directors	

Remarks:

ED – Executive Director

NED – Non-executive Director

INED – Independent Non-executive Director

The Board has a balanced mix of skills, knowledge and experience, including management, finance, accounting, auditing, information technology, risk management, corporate restructuring, retailing, investment and real estate. The Nomination Committee formed the view that the current Board composition has provided the Company with a good balance and diversity in gender, skills and experience that are appropriate to manage the Group's business operations.

### *Gender Diversity of the Board*

The Board currently has 40% of female members (two out of five Directors). The Board believes that gender diversity in the Board would introduce viewpoints from different but complementary perspectives of the two genders. The Board further believes that gender diversity will promote effective decision making and enhance corporate governance, and to achieve this, the Board aims to maintain at least one Director of a different gender on the Board at all times, in compliance with the Listing Rules.

The Company will try to recruit gender diverse management staff so that It may be able to have a pipeline of senior management staff as potential successors to the Board in the future.

### *Gender Diversity of Workforce*

As at 31 December 2025, the gender ratio of the Group's total workforce (including Senior Management) was 80% female and 20% male. The higher percentage of women in the Group's workforce is driven by demographic shifts, including a higher female-to-male population ratio and a service-oriented economy that favours clerical and administrative roles, are dominated by women, which presents a challenge for the Company to achieve a more balanced gender ratio. Notwithstanding that, the Group has strived to keep a workable balance between male and female employee numbers.

## Directors' Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry of all Directors was conducted and based on the confirmation received, all Directors complied with the required standards set out in the Model Code during the year.

## Directors' Induction and Continuing Professional Development

Each newly appointed Director is provided with necessary induction and information to ensure that he/she has a proper understanding of the Group's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. All corporate policies would also be provided to new Directors by the Company Secretary.

Directors participate in continuous training and development activities that keep them up to date on developments in all areas pertaining to the business of the Group and the performance of their duties as Directors. The Company Secretary from time to time provides Directors with updates on the latest development and changes in the Listing Rules, anti-bribery and corruption reading materials and other relevant legal and regulatory requirements to keep them abreast of the relevant rules and regulations affecting the Group's businesses.

The Directors provide the Company with their training records annually and such records are maintained by the Company Secretary. The training records of Directors for the year ended 31 December 2025 are reflected on page 40.

## Board Meetings

The Board held four regular meetings and three additional special meetings during the year ended 31 December 2025.

A schedule of the dates for regular Board meetings in each financial year is provided to Directors at the end of the preceding year and any amendments to the schedule are notified to Directors at least 14 days before the meetings. All Directors are invited to include matters that they would like to discuss in the agenda. For regular Board meetings, the agenda and accompanying papers are circulated to all Directors at least three calendar days in advance of the meetings. The Directors can attend Board meetings in person, by phone or through other means of electronic communication in accordance with the Company's Articles of Association. The Directors may approve matters by way of passing written resolutions. Additional Board meetings may be convened, where necessary.

Matters discussed and decisions resolved by the Board are recorded in minutes of the Board meeting and Directors' written resolutions. The minutes would be sent to all Directors within a reasonable timeframe after each meeting for comments and agreement. The minutes and written resolutions would be made available for inspection any time by the Directors.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, such a matter should be dealt with in a physical Board meeting, as opposed to being dealt with by a written resolution. INEDs with no conflict of interest will be present at Board meetings that deal with conflict issues.

The Company has an appropriate and relevant Directors' and Officers' liability insurance in place.

## DELEGATION BY THE BOARD

### Management

Senior Management, under the leadership of the Chief Executive Officer, is responsible for the day-to-day running of the Group's operations and implementation of the strategies and policies as the Board may from time to time determine, except for the matters stated in the Statement of Matters Reserved for the Board as set out in the Company's CG Practice Manual which would require the approval of the Board.

Where the Board delegates aspects of its management and administrative functions to Senior Management, it gives clear directions as to the powers granted to Senior Management and periodically reviews the delegations to Senior Management to ensure that they are still appropriate and continue to be beneficial to the Group as a whole.

### Board Committees

The Board has established five Board Committees to oversee various aspects of the Group's affairs, namely the Audit Committee, the Corporate Governance Committee, the Investment Committee, the Nomination Committee and the Remuneration Committee. The Board Committees are governed by their respective terms of reference which clearly define their authorities and duties, and are provided with sufficient resources to discharge their duties. The chairperson of the Board Committees report regularly to the Board on their work, decisions and recommendations. The terms of reference of the Audit Committee, the Nomination Committee and the Remuneration Committee are available on the Company Website and HKEx Website.

The membership of each Board Committee as at the date of this Corporate Governance Report is shown below:

Name of Directors	Audit Committee	Corporate Governance Committee	Investment Committee	Nomination Committee	Remuneration Committee
<b>Executive Director</b>					
Mrs. Penny Soh Peng CROSBIE-WALSH		Member	Chair		
<b>Non-executive Director</b>					
Mr. Hung Han WONG	Member		Member		Member
<b>Independent Non-executive Directors</b>					
Mr. Kin Wing CHEUNG	Chair		Member	Chair	Member
Ms. Imma Kit Sum LING	Member	Member		Member	Chair
Mr. Hin Fun Anthony TSANG	Member	Chair		Member	Member

## Audit Committee

The Audit Committee is responsible for (i) monitoring and reviewing the effectiveness of the Group's financial reporting system, risk management and internal control systems; (ii) reviewing the Group's financial information; (iii) overseeing the relationship with the external auditor of the Company; and (iv) monitoring and reviewing the effectiveness of the whistleblowing policy and system.

During the year, the Audit Committee held three meetings. Below is a summary of the work it carried out up to 31 December 2025:

- Reviewed the 2024 Annual Report and the annual results announcement, and the 2025 Interim Report and the interim results announcement;
- Reviewed the approach and methodology applied with respect to the key audit matters included in the year end auditor's report;
- Reviewed the annual audit plan of external auditor;
- Reviewed the interim review plan of external auditor;
- Reviewed and approved the external auditor's audit services and fees for 2025;
- Reviewed and approved the external auditor's non-assurance services for 2025;
- Recommended the re-appointment of RSM Hong Kong as the external auditor of the Company at the annual general meeting;
- Reviewed the adequacy and effectiveness of the risk management and internal control systems;
- Reviewed the Group's internal control handbook;
- Reviewed the adequacy of the resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit, financial reporting functions, and environmental, social and governance ("ESG") performance and reporting function;
- Reviewed the Group's Risk Register and discussed the enhancements;
- Reviewed and monitored the external auditor's independence and engagement to provide non-audit services;
- Reviewed the effectiveness of the Group's internal audit functions;
- Reviewed and approved the internal audit plans for 2025 and 2026;
- Reviewed periodic reports from the Internal Audit Department and the progress in resolving matters identified in the reports; and
- Monitored the operation of the whistleblowing policy and system.

None of the members of the Audit Committee is a former or existing partner of the Group's external auditor. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of the external auditor.

# CORPORATE GOVERNANCE REPORT

## Corporate Governance Committee

The Corporate Governance Committee is responsible for (i) formulating, reviewing and making recommendations on the Company's policies and practices of corporate governance; (ii) reviewing and monitoring the training and continuous professional development of Directors and Senior Management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) reviewing and monitoring the Code of Conduct of the Group; (v) reviewing the Company's compliance with the Corporate Governance Code and disclosure in the Corporate Governance Report; and (vi) supporting the Board in fulfilling its ESG responsibilities as described in the Environmental, Social and Governance Report.

During the year, the Corporate Governance Committee held one meeting and below is a summary of the work it carried out up to 31 December 2025:

- Reviewed the Company's compliance with the CG Code;
- Reviewed the 2024 Corporate Governance Report;
- Reviewed the amendments to the CG Practice Manual;
- Reviewed the implementation and effectiveness of the mechanisms for ensuring independent views and input are available to the Board;
- Reviewed the 2024 performance and work done in respect to ESG;
- Reviewed the 2025 ESG goals and targets;
- Reviewed the 2024 Corporate Social Responsibility Report;
- Approved the amendments to the ESG Policy;
- Approved the amendments to the terms of reference of the Corporate Social Responsibility Working Group; and
- Reviewed the continuous professional development of Directors and Senior Management.

## Investment Committee

The Investment Committee is responsible for (i) formulating and reviewing the investment strategies, policies and guidelines; (ii) reviewing and approving investment; and (iii) presenting to and advising the Board on material investment for the Group.

During the year, the Investment Committee held three meetings and passed four written resolutions and below is a summary of the work it carried out up to 31 December 2025:

- Obtained advice from independent professional consultants and reviewed the investment markets and performance of fund managers;
- Reviewed and updated (as required) the Investment Policies and Guidelines;
- Reviewed and formulated the investment strategies and asset allocation parameters in response to the changes in the conditions of financial markets and the advice from independent professional consultants;
- Reviewed investment opportunities in accordance with the formulated investment strategies and asset allocation parameters; and
- Reviewed the investment portfolio and its performance regularly.

## Nomination Committee

The Nomination Committee is responsible for (i) reviewing the structure, size and composition of the Board; (ii) assessing the suitability and qualification of any proposed director candidate; (iii) assisting the Board in maintaining a board skills matrix; (iv) assessing the independence of the INEDs; (v) making recommendation to the Board on the appointment or re-appointment of Directors and succession planning for Directors; (vi) reviewing the implementation and effectiveness of the Board Diversity Policy; (vii) reviewing the Nomination Policy; and (viii) supporting the Company's regular evaluation of the Board's performance.

The Nomination Committee, in its process of recommending new Director appointment, is guided by the Nomination Policy, which sets out the selection and nomination process as well as criteria for selection of directors. Under the Nomination Policy, the Nomination Committee will evaluate potential candidate on his/her cultural and educational background, ethnicity, professional experiences and skills with due regard to the benefits of diversity as set out in the Board Diversity Policy. The Nomination Committee will also consider the independence of a candidate with reference to the Independence Guidelines in the case of the appointment of an independent non-executive director.

During the year, the Nomination Committee held one meeting and below is a summary of the work it carried out up to 31 December 2025:

- Reviewed the structure, size, gender diversity and composition of the Board;
- Assessed and reviewed the independence of INEDs;
- Recommended the re-election of retiring Directors at the annual general meeting;
- Reviewed the implementation and effectiveness of the Board Diversity Policy;
- Reviewed the disclosure of Board Diversity in the Corporate Governance Report; and
- Reviewed the amendments to its terms of reference.

## Remuneration Committee

The Remuneration Committee is responsible for (i) formulating remuneration policies; (ii) determining remuneration packages of individual Executive Directors and Senior Management staff; (iii) making recommendations to the Board on the Director's fee structure; (iv) reviewing and approving compensation-related matters; and (v) reviewing and/or approving matters relating to share schemes.

During the year, the Remuneration Committee held one meeting and passed one written resolution and below is a summary of the work it carried out up to 31 December 2025:

- Reviewed the remuneration package of the Executive Director and Chief Executive Officer;
- Reviewed and approved the remuneration packages of the Senior Management staff;
- Approved the Group's 2025 annual staff salary increment percentage;
- Reviewed the Group's 2024 discretionary bonus proposals and approved the payment of one bonus;
- Reviewed the fee structure for Directors, the Non-executive Chairman, and the Board Committees chairs and members;
- Reviewed the amendments to its terms of reference;

## CORPORATE GOVERNANCE REPORT

- Reviewed the amendments to the Remuneration Policy; and
- Reviewed the framework for the evaluation of the Senior Management (including the Chief Executive Officer).

During the year ended 31 December 2025, there was no appointment of new Executive Director, hence there was no service contract for new Executive Director that require the approval of the Remuneration Committee.

### Directors' Remuneration Policy

The Board has adopted a Directors' Remuneration Policy that aims to attract, retain and motivate qualified industry professionals and high caliber talent to be the Company's Directors. The policy provides guidelines to set Directors' remuneration in a fair and transparent manner.

Remuneration package of Executive Directors shall be determined by the Remuneration Committee and is reviewed annually. Remuneration package of Executive Directors, comprised various components (including benefits and provident fund), are benchmarked against companies of comparable businesses, similar scale and complexity. It is also based on the individual's qualification, seniority, and experience in the role. Executive Directors are also remunerated with Director's fee which is reviewed in conjunction with the fee structure for Directors.

Remuneration of Non-executive Directors shall be approved by the Board, pursuant to the authorisation granted by the Company's shareholders at its an annual general meeting, and is determined based on recommendation by the Remuneration Committee. Non-executive Directors are remunerated with respect to their duties and responsibilities. No equity-based remuneration with performance-related elements is granted to INEDs.

### 2025 BOARD AND BOARD COMMITTEE ATTENDANCE AND TRAINING RECORDS

	Meetings attended/eligible to attend in 2025 <sup>(1)</sup>							Annual General Meeting	Training & Development Programme <sup>(2)</sup>
	Board	Audit Committee	Corporate Governance Committee	Investment Committee	Nomination Committee	Remuneration Committee			
<b>No of meetings held in 2025</b>	7	3	1	3	1	1	1		
<b>Executive Director</b>									
Mrs. Penny Soh Peng CROSBIE-WALSH	7/7		1/1	3/3			1/1	✓	
<b>Non-executive Director</b>									
Mr. Hung Han WONG	7/7	3/3		3/3		1/1	1/1	✓	
<b>Independent Non-executive Directors</b>									
Mr. Kin Wing CHEUNG	7/7	3/3		3/3	1/1	1/1	1/1	✓	
Ms. Imma Kit Sum LING	7/7	3/3	1/1		1/1	1/1	1/1	✓	
Mr. Hin Fun Anthony TSANG	7/7	3/3	1/1		1/1	1/1	1/1	✓	

Notes:

- (1) Directors may attend meetings in person, by phone or through other means of electronic communication in accordance with the Company's Articles of Association.
- (2) Directors who undertook training and development through attending seminars/conferences and webinars which are relevant to the business or directors duties, and reading regulatory/corporate governance and industry related updates. Topics included anti-bribery and corruption, corporate governance, sustainability, regulatory compliance and directors' duties.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensive assessment of the Group's performance, position and prospects in all corporate communications. Senior Management provides the Board with monthly updates, with a view to giving it a balanced and understandable assessment of the Group's performance, financial position and prospects to enable the Board as a whole and each Director to discharge their duties.

The Directors are responsible for the preparation of the Group's consolidated financial statements which give a true and fair view of the Group's state of affairs, results and cash flows for the year. In preparing the consolidated financial statements, the Directors have selected suitable accounting policies and applied them consistently; made prudent, fair and reasonable judgments and estimates; and prepared the consolidated financial statements on a going concern basis.

The statement of the auditor of the Company about its responsibilities on the consolidated financial statements of the Group is set out in the Independent Auditor's Report on pages 73 to 78.

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

### Risk Management and Internal Control

#### *Responsibility*

The Board has the overall responsibility to ensure that sound and effective risk management and internal control systems are maintained. Senior Management is responsible for designing, implementing and monitoring the risk management and internal control systems to manage risks. Sound and effective risk management and internal control systems are designed to identify and manage the risk of failure to achieve business objectives. Such systems are designed to provide reasonable, but not absolute, assurance against misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems.

#### *Risk Management Framework*

Risk management is enhanced continually, linking to our corporate strategies and as a continuous part of day-to-day business operations for all key decision making processes and core business activities. Major activities of the risk management process include risk assessment, which constitutes the sub-processes of risk identification, risk analysis and risk evaluation. There also involve risk assessment documentation, methodologies, risk treatment, monitoring, and review for ensuring the overall effectiveness of risk management. Management of fraud risk through code of conduct and whistleblowing policies are adopted to uphold honesty, integrity, and fair play as core values of the Group at all times.

## CORPORATE GOVERNANCE REPORT

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness. The Audit Committee supports the Board in monitoring the Group's risk exposures, and the design and operating effectiveness of the underlying risk management and internal control systems. The Audit Committee, acting on behalf of the Board, oversees the following processes:

- (i) Regular reviews of the principal business risks, and control measures to mitigate, reduce or transfer such risks; the strengths and weaknesses of the overall internal control system and action plans to address the weaknesses or to improve the assessment process;
- (ii) Regular reviews of the business process and operations reported by the Internal Audit Function, including action plans to address the identified control weaknesses and status update and monitor in implementing its recommendations; and
- (iii) Regular reports by the external auditor, if any, of any control issues identified in the course of their work and the discussion with the external auditor of the scope of their respective review and findings.

The Audit Committee will then report to the Board after due review as to the effectiveness of the Group's risk management and internal control systems. The Board considers the works and findings of the Audit Committee in forming its own view on the effectiveness of these systems.

### *Internal Control System*

The Group's internal control system aims to safeguard assets from inappropriate use, maintain proper accounts and ensure compliance with regulations. The Group's internal control system includes a well-established organisational structure with clearly defined lines of responsibility and authority. Policies and procedures are laid down for its key business processes and business units covering business operations, financial reporting, human resources, and computer information systems.

The Group has developed a Code of Conduct for its employees. All employees are required to strictly follow the Group's Code of Conduct to prevent potential bribery, extortion, fraud, and money laundering which may exploit their positions against the Group's interests in the course of business. Employees are required to submit an annual declaration with respect to compliance with the Code of Conduct. The Group has also adopted a Code of Conduct for External Parties, which aims to strengthen the Group's high level of integrity and also prevent any potential bribery situations between suppliers and its employees. The Code of Conduct for External Parties is published on the Company Website.

The Group has developed whistleblowing policies for employees and external parties respectively, which aim to provide reporting channels and guidance on reporting possible improprieties in financial reporting, internal control or other matters related to the Group, and reassurance to whistleblowers of the protection that the Company will extend to them against unfair dismissal or victimisation for any genuine reports made under these whistleblowing policies. The Whistleblowing Policy for External Parties is published on the Company Website.

### *COSO Internal Controls*

The Group's internal control model is based on that set down by the Committee of Sponsoring Organisations of the U.S. Treadway Commission ("COSO") for internal controls, and has five components, namely Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In developing the Group's internal control model based on the COSO principles, Senior Management has taken into consideration the Group's organisational structure and the nature of its business activities.

(i) Control Environment

The Board has demonstrated a commitment to integrity and ethical values. It works with independence from Senior Management and exercises oversight of the development and performance of internal control. Senior Management establishes the structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives. The Board is committed to attracting, developing, and retaining competent individuals in alignment with objectives. It holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

(ii) Risk Assessment

The risk assessment specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives. It identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed. It also considers the potential for fraud in assessing risks to the achievement of objectives by identifying and assessing changes that could significantly impact the system of internal control.

(iii) Control Activities

Senior Management selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels. It also develops general control activities over technology to support the achievement of objectives. Control activities through policies and procedures are established to put into practice.

(iv) Information and Communication

Senior Management obtains, generates, and uses relevant, quality information to support the functioning of internal control. There is internal communication of objectives and responsibilities necessary to support the functioning of internal control. External communication regarding matters affecting the functioning of internal control is made where necessary.

(v) Monitoring

Senior Management has ongoing evaluations to ascertain whether the components of internal control are present and functioning. It evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including Senior Management and the Board, as appropriate.

### *Internal Audit Function*

The Group's Internal Audit Function ("IA Function") assists the Board, the Audit Committee and Senior Management to protect the assets, reputation and sustainability of the Group and its stakeholders through independently reviewing the adequacy and effectiveness of the Group's governance, risk management and internal control systems.

During the year, the Group maintained an Internal Audit Department ("IA Department") to perform the IA Function. The IA Department was an independent and objective function that reports directly to the Audit Committee, it had full, free and unrestricted access to all activities, information, records, properties and personnel of the Group as stipulated in the Internal Audit Charter. The Internal Audit Manager maintained regular communication with and had direct access to the Chair of the Audit Committee for discussion on internal audit matters as and when required.

The IA Department adopted a risk-based approach in formulating the audit plan. The Audit Committee reviewed and approved the annual audit plan and all major subsequent changes made in the regular meetings. Audit assignments covering the entire business cycle of the Group were designed and prioritised based on the results of the risk assessment.

During the year, the IA Department executed the internal audit assignments according to the approved annual internal audit plan. These assignments included but not limited to:

- (i) Conducting independent and regular audits which cover financial, operational and compliance controls in accordance with the internal audit plan;
- (ii) Reviewing the systems of internal control and risk management of the Group and proposing enhancements to these systems for consideration by the Audit Committee and/or the Senior Management and/or the individual department concerned;
- (iii) Conducting special reviews and investigations of areas of concern identified by the Board, the Audit Committee and Senior Management; and
- (iv) Overseeing the Whistleblowing mechanism and conducting special investigations as and when appropriate.

In February 2026, the Audit Committee resolved to engage an external consultant to perform the IA Function, in place of maintaining the IA Department, having considered this to be a more cost-effective arrangement. The external consultant will conduct reviews of the effectiveness of the Group's risk management and internal control systems.

All audit findings and recommendations on internal control deficiencies, if any, are reported by the IA Function to the Audit Committee and Senior Management on a regular basis. Post-audit follow-up reviews are performed to ensure that relevant corrective measures on the previously identified internal control deficiencies have been properly implemented as intended and on a timely basis. The significant audit findings and the status of corresponding corrective measures taken by Senior Management will be brought to the attention of the Audit Committee.

### *Review of the Effectiveness of Risk Management and Internal Controls Systems*

During the year, on behalf of the Board, the Audit Committee conducted an annual review of the effectiveness of risk management and internal control systems that covered all material controls, including financial, operational, environmental, social and compliance controls and considered:

- (i) Areas of risks identified by Senior Management;
- (ii) Adequacy of the resources, qualification and experience of staff, training programs and budget of the Group's accounting, internal audit, financial reporting function, and ESG performance and reporting function; and
- (iii) Enhancement to the risk management and internal control systems identified as being necessary or proposed by the IA Function.

The Audit Committee concluded that the Group's risk management and internal control systems remained appropriate and effective for dealing with identified risks, safeguarding the Group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Group's financial reports and achieving compliance with applicable laws and regulations. The Chief Executive Officer of the Company also provided a confirmation to the Board on the effectiveness of the risk management and internal control systems in December 2025 after receiving the confirmations on the effectiveness of these systems provided by the Finance Director and individual managers across the Group as well as the IA Department.

Based on the above, the Board whilst keeping it under review, in light of experience, also considered the Group's risk management and internal control systems remained appropriate and effective for dealing with identified risks, safeguarding the Group's assets, preventing and detecting fraud, misconduct and loss, ensuring the accuracy of the Group's financial reports and achieving compliance with applicable laws and regulations.

### Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company:

- (i) is required to disclose inside information as soon as reasonably practicable in accordance with the SFO and the Listing Rules;
- (ii) conducts its affairs with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission;
- (iii) upon receipt of a statutory or other demands or a threat for legal proceedings, takes the situation seriously and if necessary, seeks legal advice in relation to any disclosure obligations;
- (iv) has included in employment contracts (or an addendum to the employment contract) a strict prohibition on the unauthorised use of confidential information; and
- (v) has established and implemented the Policy on Disclosure and Handling of Inside Information.

### External Auditor

The Audit Committee monitors the audit and non-audit services rendered to the Group by the external auditor and ensures that the engagement of the external auditor in non-audit services will not impair its audit independence or objectivity. The Company has adopted the policy on the engagement of external auditor to supply non-audit services, which set out: (i) the classification of services as permitted audit-related services, permitted non-audit services, and prohibited non-audit services; and (ii) the approval procedures for non-audit services.

The remuneration in respect of audit and non-audit services provided to the Group by the Company's auditor, RSM Hong Kong and other RSM network firms for the year ended 31 December 2025 was:

	HK\$'000
Audit services (disclosed in note 13 to the consolidated financial statements)	
Continuing operations	650
Discontinued operations	140
Non-audit services:	
Continuing operations - other assurance services	160
Discontinued operations - non-assurance services	12
	<u>962</u>

## COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Shareholders Communication Policy (“SCP”), which is available on the Company Website, sets out the provisions with the aim to provide the Shareholders and the investment community with ready, equal and timely access to balanced and understandable information about the Company, in order to enable them to make informed assessments of the Company, and to allow the Shareholders and the investment community to engage with the Company.

Information is communicated to the Shareholders and the investment community through (i) disclosures submitted to the Stock Exchange; (ii) the Company Website; (iii) Corporate Communications (as defined in the Listing Rules, including, but not limited to, annual and interim reports, announcements, circulars, notices of general meeting); and (iv) general meetings of the Company.

In accordance with the SCP:

### (i) Shareholders’ Enquiries

Shareholders shall direct questions about their shareholdings to the Company’s Registrar. The contact details of the Company’s Registrar are:

Computershare Hong Kong Investor Services Limited  
Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong  
Tel: (852) 2862 8628

Shareholders and the investment community may at any time make a request for the Company’s information to the extent that such information is publicly available.

Shareholders and the investment community who have any other query in respect of the Company are most welcome to contact the Company Secretary whose contact details are:

Company Secretary  
ENM Holdings Limited  
Suite 2503, 25th Floor, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong  
Email: comsec@enmholdings.com  
Fax: (852) 2827 1491

### (ii) Corporate Communications

Corporate Communications are made out to the Shareholders in plain language and in both English and Chinese to facilitate Shareholders’ understanding. Shareholders are encouraged to access the Corporate Communications electronically via the Company Website to be more environmental. Shareholders have the right to choose their preferred language of communication (either English and/or Chinese) or the means of receipt (electronic or paper format).

### (iii) Company Website

The Company Website provides a wide range of information about the Company and its operations and contains all Corporate Communications. The Company Website is reviewed and updated on a regular basis. Information released by the Company to the Stock Exchange is also posted on the Company Website immediately thereafter.

#### (iv) General Meetings

Shareholders are encouraged to participate in general meetings or to appoint proxies to attend and vote for and on their behalf at meetings if they are unable to attend personally. Appropriate arrangements for the general meetings shall be in place to encourage Shareholders' participation. The chair of the meeting shall allow relevant questions to be asked at the meetings. Board members, in particular the chairs of Board Committees or their delegates, appropriate management executives and external auditor shall attend general meetings to answer Shareholders' questions.

#### (v) Investment Community Communications

To facilitate communication with the Shareholders and the investment community, the Company may arrange investor/analyst briefing, one-on-one meeting, roadshow, media interview and marketing events from time to time. Directors and employees of the Company who have contacts or dialogues with investors, analysts, media or other interested outside parties are required to comply with the disclosure obligations and requirements under the Company's Policy on Disclosure and Handling of Inside Information.

To ensure that disclosures and communications are consistent and authorised, only the following designated Directors and employees of the Company are authorised to discuss the Company's corporate matters with Shareholders, investors, analysts, the media or other members of the public:

- (a) The Chairman of the Board;
- (b) Chief Executive Officer; and
- (c) Chief Financial Officer.

#### (vi) Shareholders' Privacy

The Company recognises the importance of Shareholders' privacy and shall not disclose Shareholders' information without their consent, unless required by law to do so.

The Company gives sufficient notice of general meetings to the Shareholders. To facilitate enforcement of shareholders' rights, separate resolutions are proposed at general meetings on each substantially separate issue. All resolutions put to vote at general meetings are taken by poll. Procedures regarding the conduct of the poll are explained to shareholders at each general meeting, and questions from shareholders regarding the voting procedures are answered.

The Board has reviewed the implementation and effectiveness of the SCP and considered it to have been effectively implemented during the year ended 31 December 2025.

### SHAREHOLDERS' RIGHTS

#### Calling of General Meeting by Shareholders

Under the Companies Ordinance, registered shareholder(s) of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings may request to call a general meeting of the Company. The request (a) must state the general nature of the business to be dealt with at the meeting, (b) must be signed by the shareholder(s) who requested the general meeting, and (c) must be deposited at the registered office of the Company (the "Registered Office") at Suite 2503, 25th Floor, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong for the attention of the Company Secretary. If the resolution is to be proposed as a special resolution, the request should include the text of the resolution and specify the intention to propose the resolution as a special resolution. The request may consist of several documents in like form, each signed by one or more shareholder(s) who requested the general meeting.

#### Procedures for Putting Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board through the Company Secretary by mail to the Registered Office or by email to [comsec@enmholdings.com](mailto:comsec@enmholdings.com).

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committee of the Company, where appropriate, for a response.

#### Procedures for Putting Forward Proposals at General Meetings by Shareholders

##### *Circulation of shareholders' statement*

Under the Companies Ordinance, registered shareholder(s) of the Company representing at least 2.5% of the total voting rights of all the shareholders who have a relevant right to vote, or at least 50 shareholders who have a relevant right to vote may request the Company to circulate to shareholders of the Company entitled to receive notice of a general meeting a statement of not more than 1,000 words with respect to a matter mentioned in a proposed resolution or other business to be dealt with at that meeting. The request (a) must be signed by the shareholder(s) who requested the circulation of the statement, (b) must be deposited at the Registered Office for the attention of the Company Secretary, (c) must identify the statement to be circulated, and (d) must be received by the Company at least 7 days before the meeting to which it relates.

### *Circulation of resolution for annual general meeting*

Under the Companies Ordinance, registered shareholder(s) of the Company representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate, or at least 50 shareholders who have a right to vote on the resolution at the annual general meeting to which the requests relate, may request the Company to give, to shareholders of the Company entitled to receive notice of the annual general meeting, notice of a resolution that is intended to be moved at that meeting. The request (a) must be signed by the shareholder(s) who requested the circulation of such resolution, (b) must be deposited at the Registered Office for the attention of the Company Secretary, (c) must identify the resolution of which notice is to be given, and (d) must be received by the Company not later than (i) 6 weeks before the annual general meeting to which the requests relate; or (ii) if later, the time at which notice is given of that meeting.

### *Nomination of a person for election as a Director*

Pursuant to Article 107 of the Company's Articles of Association, a shareholder can propose a person (not being the shareholder himself/herself) for election to the office of Director at any general meeting by giving the Company notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his/her willingness to be elected. The period for lodging such notices shall commence no earlier than the day after the dispatch of the notice of the general meeting, appointed for such election, and end no later than 7 days prior to the date of such general meeting.

## **MEASURES TO ENHANCE SHAREHOLDERS' VALUE**

### **Dividend Policy**

The Company has adopted a Dividend Policy with the objective of returning value to shareholders. When considering the recommendation or declaration of dividends, the Board will take into account a range of factors, including the Company's articles of association, applicable statutory and regulatory requirements, current and future operations, strategic and business plans, capital expenditure and future development requirements, liquidity position, financial results, general financial condition and the economic outlook.

As disclosed in the Report of the Directors on page 3 under the section "Distributable Reserve," the Company had no reserves available for distribution to its shareholders as at 31 December 2025 in accordance with the Companies Ordinance. As a result, the Company is not in a position to declare dividends. Given this legal constraint, the Company has not adopted a specific quantitative dividend payout ratio.

### **Investment Activities**

In light of the above, the Company's investment activities remain an important driver of value creation. These activities generate realised gains and investment income that help to reduce accumulated losses, thereby rebuilding distributable profits required under the Companies Ordinance for lawful dividend distributions in the future. Although returns from investment activities do not directly translate into dividend payments at this stage, they contribute to improved profitability and an increase in the net asset value per share. This, in turn, enhances shareholders' value and supports the Company's capacity to resume dividend distributions in the long run when permitted under the law.



## CORPORATE GOVERNANCE REPORT

### ARTICLES OF ASSOCIATION

No amendment was made in the Company's Articles of Association during the year. The latest version of the Company's Articles of Association is available on the Company Website and HKEx Website.

### COMPANY SECRETARY

The Company Secretary is a full time employee of the Company. The Company Secretary supports the Board by ensuring good information flow within the Board, and that the Board's policy and procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for advising the Board on corporate governance matters and facilitating the induction and continuous professional development of Directors. During the year, the Company Secretary undertook over 15 hours of relevant professional training to update her skills and knowledge.

**Hin Fun Anthony TSANG**

*Chair of the Corporate Governance Committee*

Hong Kong, 27 March 2026

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

## SCOPE AND REPORTING PERIOD

This is the tenth Environmental, Social, and Governance (“ESG”) report (formerly the Corporate Social Responsibility report) of the Company (collectively with its subsidiaries referred as the “Group”), highlighting its ESG performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix C2 of the Listing Rules (the “ESG Guide”) and Guidance set out by The Stock Exchange of Hong Kong Limited.

This ESG Report covers the ESG performance of the Group’s operations in Hong Kong for the reporting period from 1 January 2025 to 31 December 2025 (the “Reporting Period”), unless otherwise stated. A significant change in the reporting scope occurred during the Reporting Period was that the Group discontinued its fashion retail business, operated by The Swank Shop Limited (referred as “SWANK”) on 30 November 2025. Accordingly, the ESG performance of the fashion retail business cover only eleven months of the Reporting Period. Following this discontinuation, the Group’s primary activities are now investment holding, securities trading and the strategic management of group assets.

## REPORTING PRINCIPLES

This ESG Report has been prepared in accordance with the ESG Guide. The contents covered herein are in compliance with the provision of “Comply or Explain” as well as four reporting principles of materiality, quantitiveness, balance and consistency requirements in the ESG Guide.

*Materiality* – Materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, procedures, and results of the engagement of which are presented in the section “Stakeholder Engagement and Materiality” of this Report.

*Quantitiveness* – Key performance indicators (“KPIs”) have been established, and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed where applicable.

*Balance* – This ESG Report presents the Group’s performance during the Reporting Period in an impartial manner, avoiding choices, omissions or presentation formats that may unduly influence readers’ decisions or judgements.

*Consistency* – Consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

## BOARD STATEMENT

During the Reporting Period, the Group underwent a significant transition following the strategic decision to discontinue the fashion retail business in November 2025, enabling the Group to focus on its investment holding, securities trading and the strategic management of group assets. The Board expresses appreciation to all retail staff, suppliers and customers for their longstanding support.

Following the restructuring of the Group's business, the Group's material ESG priorities have shifted towards corporate governance, risk management and operational integrity. Environmental impacts have substantially reduced after the discontinuation of fashion retail business, while the Group continues to encourage responsible resource usage within the organisation.

The Group maintains appropriate internal controls and policies to uphold ethical conduct. During the Reporting Period, the Group continued to strengthen its anti-corruption framework, improve internal procedures, and provide training to directors and employees to ensure alignment with regulatory requirements and stakeholder expectations.

Looking ahead, the Board and the Corporate Governance Committee will continue to guide the Group's sustainability governance framework to support prudent management of investments, effective risk oversight and responsible business conduct.

The Board considers this ESG Report to provide a fair and balanced representation of the Group's ESG approach and performance during this transitional year.

## SUSTAINABILITY GOVERNANCE

The Board has overall responsibility for the Group's sustainability strategy and reporting. The Board is committed to ensuring that the Group's business operations incorporate consideration of impact on the environment, relevant social aspects, and good corporate governance. The Company has adopted an ESG Policy which sets out the framework for managing and applying the Group's ESG commitment.

To support the Board, a two-tier governance structure is in place:

1. Corporate Governance ("CG") Committee plays a crucial role in supporting the Board's ESG responsibility, and is tasked with the following duties:
  - To review and advise the Board on relevant environmental and social ("ES") matters to ensure responsible and sustainable business operations.
  - To oversee the assessment of the Group's ES impacts and related risks and report significant issues to the Board.
  - To oversee the Group's ESG performance, including strategy, reporting, and governance structure.
  - To review and approve the Group's ESG strategies, goals, and targets, monitor progress, and make recommendations to the Board as needed.
  - To identify and evaluate ESG and climate-related risks and opportunities in the context of the Group's strategic objectives and ensure effective risk management and internal control systems are in place to address these risks .
  - To review and endorse proposed amendments to ESG-related policies.
  - To review the annual ESG Report and recommend it to the Board for approval.

2. Corporate Social Responsibility (“CSR”) Working Group is an executive team that supports the CG Committee on ES matters which includes community investment. The CSR Working Group is governed by terms of reference that clearly define its authority and duties and is provided with sufficient resources to discharge its duties. The CSR Working Group, led by the Chief Executive Officer of the Company, comprises management staff including the Finance Director, the Company Secretary and the Heads of relevant business units/departments, and reports directly to the CG Committee. The CSR Working Group is tasked with the following duties:

- To develop a formal ESG policy for the CG Committee’s approval and periodically review it to ensure relevance.
- To identify, evaluate, prioritize, and address material ES issues in the Group’s operations.
- To propose ES-related goals and targets for the CG Committee’s approval.
- To develop and implement ES strategies, frameworks, and policies, and report progress to the CG Committee.
- To report the ESG performance, including KPIs to CG Committee.
- To prepare the annual ESG Report and other required reports in compliance with applicable laws, rules, and regulations.

The Board oversees the Group’s ESG strategy and reviews progress against ESG-related goals and targets through the annual reports from the CG Committee. These goals and targets are developed with reference to the Group’s business operations and long-term development strategy. The Group continuously enhances its ESG performance through regular evaluation of targets and implementing improvement measures identified from internal assessments and stakeholder feedback.

## STAKEHOLDER ENGAGEMENT AND MATERIALITY

The Group values input from its stakeholders and considers it as essential for understanding expectations and improving its ESG performance. During the Reporting Period, the Group engaged with various stakeholder groups through multiple channels.

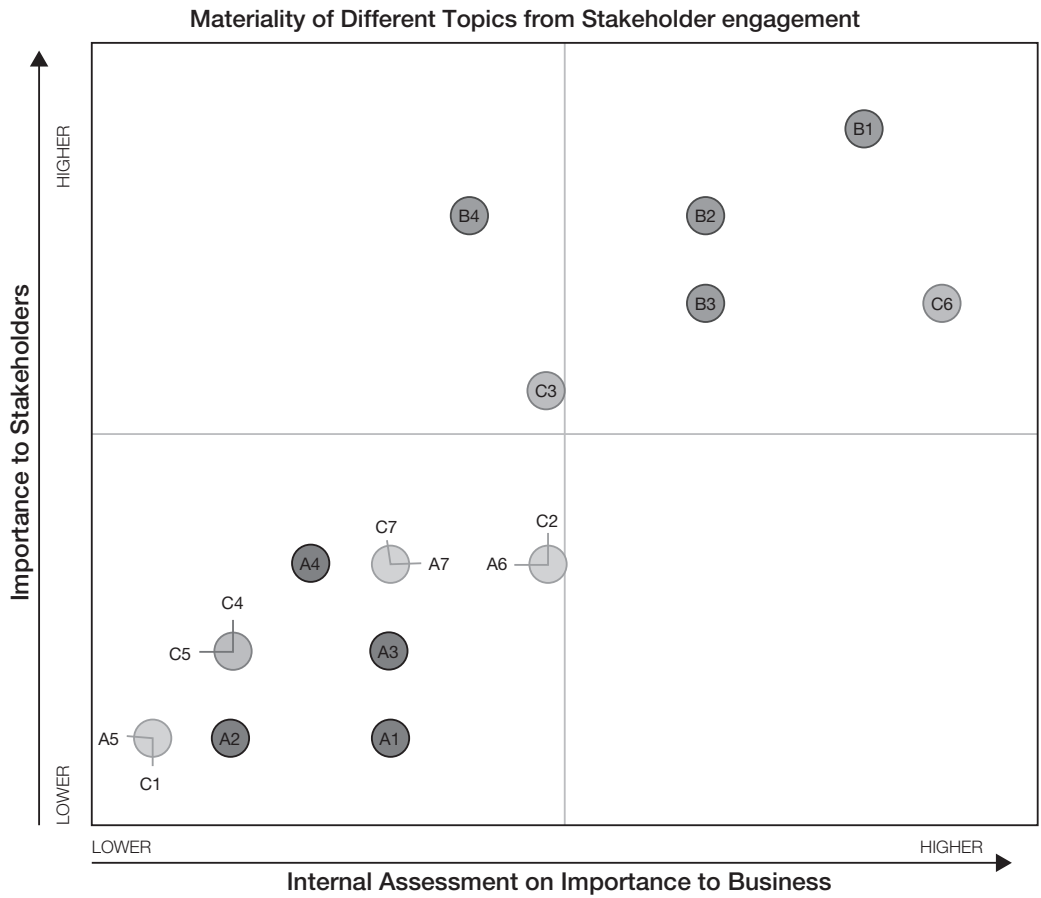
Stakeholder Groups	Communication Channels
Shareholders and Investors	<ul style="list-style-type: none"> <li>– Annual general meeting and other shareholders’ meetings</li> <li>– Annual and interim reports</li> <li>– Announcements and circulars</li> <li>– Company website</li> </ul>
Employees	<ul style="list-style-type: none"> <li>– CSR Working Group meetings</li> <li>– Staff engagement events</li> <li>– Performance appraisal</li> <li>– Internal circulars</li> <li>– Trainings</li> </ul>
Customers (before the discontinuation of fashion retail business in November 2025)	<ul style="list-style-type: none"> <li>– Social media</li> <li>– Company website</li> <li>– In-person communication</li> </ul>
Suppliers (before the discontinuation of fashion retail business in November 2025)	<ul style="list-style-type: none"> <li>– Business engagements and meetings</li> <li>– Periodical review and assessment</li> </ul>

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

During the Reporting Period, the Group (through the CSR Working Group) has specifically engaged with members of the Board, and employees to gain insights on their view of material aspects and challenges of its ESG matters via interviews and questionnaires.

In addition to the above, the Group has also incorporated the concept of double materiality into its materiality assessment process during the Reporting Period. Double materiality comprises of impact materiality, which considers actual and potential positive or negative impacts on the people and environment connected to the Group’s operations, products, services, and value chain; as well as financial materiality, which considers sustainability-related risks and opportunities that could reasonably be expected to influence the Group’s financial position, performance, cash flows, access to finance, or cost of capital over the short, medium, and long term. In line with the European Sustainability Reporting Standards (“ESRS”), this assessment shall cover the Group’s own operations, as well as its upstream and downstream value chain.

The Materiality Matrix below shows the result of the materiality assessment process:



**A. Environmental**

- A1 Energy
- A2 Water
- A3 Air Emission
- A4 Waste and Effluent
- A5 Other Raw Materials Consumption
- A6 Environmental Protection Measures
- A7 Climate Change

**B. Employees**

- B1 Employment
- B2 Occupational Health and Safety
- B3 Development and Training
- B4 Labour Standards

**C. Operational**

- C1 Supplier Management
- C2 Intellectual Property
- C3 Data Protection
- C4 Customer Service
- C5 Product/Service Quality
- C6 Anti-corruption
- C7 Community Investment

## ASSESSMENT OF IMPACTS

Apart from engaging the Group's stakeholders and applying double materiality, the Board and the management of the Group have assessed the actual and potential ES impacts that the Group's operation could have. This assessment is based on the external professional's advice, the Materiality Finder of SASB Standards, and the list of sustainability matters in ESRS 1 AR 16. The assessment also considered the financial implications of identified impacts, dependencies, and regulatory developments, evaluating their potential effects on financial performance, cash flows, and cost of capital over short-, medium-, and long-term horizons.

Among the environmental and social aspects, the following topics are identified as the most important material issues based on stakeholder engagement and Board assessment:

- Employment
- Occupational Health and Safety
- Development and Training
- Anti-corruption

The Group strictly complies with the statutory requirements in respect of the identified material aspects. The above aspects were strictly managed through the Group's policies and guidelines. The Group will continue to improve its ESG management and performance by actively communicating with its stakeholders and improving its internal policies regularly.

## STAKEHOLDERS' FEEDBACK

The Company welcomes stakeholders' feedback on its approach towards the environmental, social and governance aspects and performance by giving suggestions or sharing views with the Group via email at [comsec@enmholdings.com](mailto:comsec@enmholdings.com).

## ACCREDITATION AND AWARDS

During the Reporting Period, the Company was recognised by the landlord of the Group's office premises, a group of companies which are part of the Chinachem Group, for its commitment to sustainable operations. The Company received:

- (i) a Certificate of Outstanding Energy Performance in acknowledgment of its effective energy saving practices; and
- (ii) a Trophy for Most Active Green Tenant under the Chinachem Green Tenant Engagement Programme, highlighting the Group's active participation in environmental initiatives.

## A. ENVIRONMENTAL

### A1. Emission Management

After the discontinuation of fashion retail business, the Group's operations are now solely office based. Consequently, its direct environmental impact is minimal. The Group is committed to following all applicable environmental laws and regulations. In addition, the Group did not note any cases of material non-compliance relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste as required by the applicable laws and regulations during the Reporting Period. These include, but not limited to, the Environmental Impact Assessment Ordinance (Chapter 499 of the laws of Hong Kong) and the Waste Disposal Ordinance (Chapter 354 of the laws of Hong Kong). The Group's approach to environmental management is guided by its ESG Policy and its internal Environmental Friendly Guideline.

#### *A1.1 Air Emissions*

During the Reporting Period, there were no group-owned company vehicles, meaning there had not been any contributions to the emissions of sulphur oxides (SO<sub>x</sub>), nitrogen oxides (NO<sub>x</sub>), and particulate matters (PM) emission.

#### *A1.2 Greenhouse Gas Emissions*

During the Reporting Period, the Group generated 101.96 tCO<sub>2</sub>e of greenhouse gas ("GHG") emissions, with an intensity of 0.11 tCO<sub>2</sub>e/m<sup>2</sup> or 3.09 tCO<sub>2</sub>e/million HKD revenue.

During the Reporting Period, the Group's GHG emissions were contributed by:

- Scope 2 – "Energy indirect" emissions resulting from the generation of purchased electricity consumed within the Group; and
- Scope 3 – All other indirect emissions that occur outside the Group, including both upstream and downstream emissions.

Since the Group does not own any company vehicles, there were no Scope 1 GHG emissions during the Reporting Period.

The table below summarises the GHG emissions of the Group from different emission sources.

Scope of GHG <sup>1</sup>	Emission Sources	2025 Emission (in tCO <sub>2</sub> e)
<b>Scope 1</b> Direct Emissions	NA	NA
<b>Scope 2</b> Energy Indirect Emission	Purchased electricity <sup>2</sup>	48.88
<b>Scope 3</b> Other Indirect Emissions <sup>3,4</sup>	Category 2: Capital goods	39.95
	Category 3: Electricity used for processing fresh and sewage water by government departments	0.02
	Category 5: Paper waste disposed at landfills <sup>5</sup>	1.97
	Category 7: Employee commuting	11.14
<b>Total</b>		<b>101.96</b>

Note 1: Emission factors were referred to Appendix C2 to the Listing Rules and their referred documentation as set out by the Stock Exchange unless stated otherwise. Scope 3 emissions were only calculated based on the available emission factors from the referred documentation.

Note 2: According to HK Electric Investments Sustainability Report 2024: Emissions factor of 0.60 kgCO<sub>2</sub>e/kWh was used for purchased electricity in 2025; According to CLP ESG Data Hub: Emissions factor of 0.38 kgCO<sub>2</sub>e/kWh was used for purchased electricity in 2025.

Note 3: Scope 3 GHG emissions were calculated based on available emission factors referred by Appendix 2 of "How to Prepare an ESG Report" set out by Hong Kong Exchanges and Clearing Limited, as well as based on the "Technical Guidance for Calculating Scope 3 Emissions (version 1.0)" published by Greenhouse Gas Protocol, unless stated otherwise.

Note 4: Data for other categories of scope 3 emissions have not yet been collected, and the Group currently does not have the capability to conduct data collection for these categories; however, the Group shall endeavour to dedicate resources to complete scope 3 emissions disclosure in due time.

Note 5: The calculation of paper waste includes only the waste generated from office use.

## *A1.3. Hazardous Waste*

The business operation of the Group generated 238.30 kg of hazardous waste during the Reporting Period. The hazardous waste production intensity was calculated at 0.26 kg/m<sup>2</sup> or 7.23 kg/million HKD revenue. The hazardous waste generated consisted of electronic waste, all of which was recycled or reused by other parties.

## *A1.4. Non-hazardous Waste*

The Group generated a total of 277.5 kg of non-hazardous waste during the Reporting Period. The non-hazardous waste production intensity of was 0.3 kg/m<sup>2</sup> or 8.42 kg/million HKD revenue. The non-hazardous waste was mainly paper used in the office and retail shops, which were handled by the respective building management companies. With the discontinuation of the fashion retail business during the Reporting Period, the closure of retail shops involves the standard procedure of reinstating the premises to bare shell condition as required by the landlord, hence SWANK had generated a certain amount of non-hazardous waste. The waste was collected and handled by independent third-party decoration companies.

## *A1.5. Measures to Mitigate Emissions*

The Group is aware of the emissions generated from its operation. Measures have been implemented to minimise some of the emissions:

- Discourage the printing of e-mails.
- Use digital storage instead of filing paper documents where possible.
- Set double sided printing/copying as the default printing mode on all computers.
- Reuse one-sided printed paper for printing and copying.
- Place “Green boxes” next to photocopiers to collect paper for reuse or recycling.
- Turn off lighting or electrical equipment power whenever away from the office for extended period of time.
- Target to set the central air-conditioning temperature at an eco-friendly level of 25.5 degree Celsius.
- Lower the brightness of computer monitors.

Through these concerted efforts, the Group aims to continuously reduce energy consumption and GHG emissions, and to contribute to a low-carbon future. Given the Group’s minimal emission profile following the discontinuation of the fashion retail business, a quantitative GHG reduction target is not considered to be meaningful. The Group will continue to adopt a qualitative target of maintaining low emissions and monitoring energy use regularly.

### ***A1.6. Waste Reduction and Initiatives***

The Group generated very minimal hazardous waste from its office operations, they were generated only when replacement of electronic equipment was necessary. Given the Group's limited operational footprint following the discontinuation of the fashion retail business, a numerical waste-reduction target is not considered meaningful. The Group will continue to uphold responsible resource use and proper disposal practices across its business activities.

To achieve this, the Group has adopted the following waste management initiatives:

- Discourage the printing of e-mails.
- Using digital storage instead of filing paper documents where possible.
- Set double sided printing/copying as the default mode.
- Reuse one-sided printed paper for printing and copying draft documents where possible.
- Replace written communications in paper form with electronic version/mode for daily workings.
- Reuse office stationaries (e.g. envelopes and folders) where practicable.
- Promote "Food Wise" culture to staff - cutting down on take-away food containers, thinking how much you can eat before ordering, and taking away leftovers.
- Encourage the use of non-disposable cups and cutlery to avoid single-use items.
- Set up recycling boxes to encourage appropriate disposal of metal cans, "single-use" plastic containers and paper items.
- Place "Green boxes" next to photocopiers to collect paper for reuse or recycling.

To promote sustainability and reduce waste, the Group donated used store furniture and equipment which are redundant to staff and other businesses. This initiative not only supported the Group's environmental goals but also benefited its staff by providing them with useful items.

### **A2. Use of Resources and Efficiency Initiatives**

The Group strives to save on energy and resources through the implementation of internal operating policies and use of advanced technologies which ensure that resources are consumed in a responsible manner. Major resources consumed during the Reporting Period were purchased electricity, followed by water. To encourage staff to embrace green policies in daily operations, the Group has published an "Environmental Friendly Guideline" covering areas such as printing paper consumption/usage, energy saving actions and reusing of stationeries.

# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

## A2.1. Energy Consumption and Efficiency

During the Reporting Period, the Group's energy consumption was solely attributable to electricity usage for office and the fashion retail business as shown below:

	<b>2025</b>
	<b>Direct Consumption</b>
Electricity	108,250.65 kWh
Energy Intensity	117.98 kWh/m <sup>2</sup>

The Group promotes the following eco-friendly behaviours, including:

- Turn off lighting or electrical equipment power whenever away from the office for extended period of time, for example, during lunch or after work hours or before long holidays, to reduce energy consumption.
- Target to set the central air-conditioning temperature at an eco-friendly level of 25.5 degree Celsius.
- Lower the brightness of computer monitors.
- Maximise the use of daylight where practicable.
- Minimise the number of light bulbs/tubes on lighting equipment, where practicable.
- Gradually replace the existing lamps with LED lights.

Given the Group's limited operational energy needs following the discontinuation of the fashion retail business, a quantitative energy-reduction target is not considered to be meaningful. The Group will continue to monitor energy use and adopt energy-efficient measures where appropriate.

## A2.2. Water Consumption and Efficiency

During the Reporting Period, the total water consumption for the Group was 47 m<sup>3</sup>, with an intensity of 0.05 m<sup>3</sup>/m<sup>2</sup> of floor space. The water consumption at the Head Office is primarily for drinking and sanitation purposes and is relatively minimal. As a result, the Group did not set water efficiency targets. During the Reporting Period, the Group did not encounter any issue in sourcing water resource. The Group promotes the following eco-friendly behaviours:

- Inspect water taps regularly to identify leakage or dripping and rectify promptly.
- Place "Save Water" labels next to water taps to encourage reduced usage.

### ***A2.3. Packaging Materials***

Prior to the discontinuation of business in November 2025, the fashion retail business used plastic bags and paper shopping bags for packaging purposes, and paper and carton boxes for logistical purpose. SWANK encouraged customers to recycle and reuse the shopping bags and complied with the Product Eco-responsibility Ordinance (Chapter 603 of the laws of Hong Kong) with respect to the levy on plastic and non-woven shopping bags.

During the Reporting Period, the fashion retail business consumed 109 kg of paper shopping bags and 57 kg of carton boxes for online sales packaging.

Following the discontinuation of the fashion retail business, the Group no longer uses any packaging materials in its operations.

## **A3. The Environment and Natural Resources**

The Group's office-based activities have no significant impact on the environment or natural resources. The Group strives to contribute to the protection of the environment by integrating a range of environmental initiatives across its business operations. Although the nature of the Group's business operations does not involve daily activities that have a significant impact on the environment and natural resources, the Group still consider the effects of its business activities on the surrounding environment and climate change when making major business decisions.

### ***A3.1. Significant Impacts of Activities on the Environment***

Although the Group's business does not generate significant adverse environmental impact as compared with businesses in other sectors, the Group is committed to reducing GHG emissions and preserving natural resources. With electricity consumption as its main source of GHG emission, and printing practices as another source of emission and waste, the Group frequently reminds employees to practise energy and resources-saving habits in the office.

## **A4. Climate Change**

Due to the non-industrial and financial nature of the Group's current activities, climate change does not pose a significant direct threat to its operations or financial performance. As such, the Group has not formulated any policy regarding climate change. The CG Committee is the governance body responsible for the oversight of climate-related risks and opportunities. The CSR Working Group is the management-level committee responsible for the governance processes, controls and procedures used to monitor, manage and oversee these matters.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

The Group has identified relevant climate-related risks and assessed their potential financial impacts. The climate risks identified, their time horizon, trend, and the potential financial impacts affecting the Group are shown below.

Climate Risks		Time horizon	Trend	Potential financial impact
Physical Risks	Acute	Short term	Increase	Extreme weather events with increased severity during cyclones, hurricanes, storm surges and floods can cause supply chain interruption by bringing damage to local infrastructure, potential damage to offices and disruption to human resources.
	Chronic	Long term	Increase	Longer-term shifts in climate patterns can increase capital costs, operating costs, costs of human resources and increased insurance premium. Potential rise in energy consumption, resulting in higher utility bills and operating expenses.
Transition Risks	Technology	Long term	Increase	The Group may incur increased expenditures to upgrade its IT infrastructure and digital platforms to align with evolving industry standards for energy efficiency and data security.
	Policy and Legal	Short to medium term	Increase	Implementation of tightened environmental laws, stringent requirements on climate disclosures and carbon pricing system increases operating costs.
	Market	Short term	Increase	As a participant in financial markets, the Group could face shifts in investor sentiment or counterparty preferences toward companies with stronger ESG credentials. While this does not directly impact revenue from trading activities, a perceived lack of commitment to sustainability could affect the Group's access to certain investment opportunities or partnerships, potentially influencing long-term portfolio performance.
	Reputation	Short to medium term	Increase	Stakeholders' concerns on climate-related issues of the Group might dampen the investment sentiment of investors, impacting the stock price and market capitalisation of the Group, and hence increasing the liquidity risk.

The Group has identified the following climate-related opportunity, its time horizon, current and anticipated impacts on financials, value chain and business model, and current and anticipated strategies/responses to address the opportunity.

Opportunity	Time Horizon	Current and Anticipated Impacts	Current and Anticipated strategies/responses to address the opportunity
Sustainable Investment Integration Integrate ESG criteria into the Group’s investment holding and securities trading decisions. This involves consideration of investments in companies with strong climate resilience, green technologies, or superior ESG ratings.	Medium to Long term	Positive effect on business model: Enhances long-term portfolio resilience by reducing exposure to high-climate-risk companies. May attract co-investment opportunities and improve risk-adjusted returns.  Positive effect on value chain: Investment sourcing and due diligence would evolve to include ESG screening tools and third-party data, adding sophistication without requiring physical infrastructure changes.	The Group can develop a formal sustainable investment framework or partner with ESG data providers. This would be a voluntary enhancement to position the Company as a forward-thinking financial entity.

**A4.1. Significant Climate-Related Issues**

The Group recognises that extreme weather events caused by climate change may negatively impact daily operations and has accordingly prepared contingency plans for these situations. These include, but not limited to, work-from-home plans for employees. These measures, however, are of reduced relevance to the current, purely office-based investment business, which is inherently more resilient to such physical disruptions.

**A4.2. Metrics and Targets**

To measure the level and impact of the Group’s climate-related risks, the Group monitors metrics and indicators to ensure an effective and quantitative assessment. The Group monitors and reviews its Scope 2 and Scope 3 GHG emissions (in tCO<sub>2</sub>e.), total GHG emissions (in tCO<sub>2</sub>e) and GHG emission intensity regularly. The GHG emission data and information about target setting are shown in the section “A1. Emissions Management” of this Report.

## B. SOCIAL

### 1. Employment and Labour Practices

#### B1. Employment

The Group is committed to being a responsible employer, valuing its employees as a key asset, adopting best practices and comply with ordinances. these include but not limited to:

- Employment Ordinance (Chapter 57 of the Laws of Hong Kong)
- Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)
- Minimum Wage Ordinance (Chapter 608 of the Laws of Hong Kong)
- Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong)
- Disability Discrimination Ordinance (Chapter 487 of the Laws of Hong Kong)
- Race Discrimination Ordinance (Chapter 602 of the Laws of Hong Kong)
- Sex Discrimination Ordinance (Chapter 480 of the Laws of Hong Kong)
- Family Status Discrimination Ordinance (Chapter 527 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

The Group also has the following policies in place:

- Staff handbooks
- Staff remuneration Policy
- Group Human Resource Policy
- Workforce Diversity Policy
- ESG Policy

The Group's Human Resource ("HR") Department regularly reviews and updates the HR policies to ensure compliance to the latest relevant laws and regulations. The Group did not note any cases of material non-compliance with the relevant laws and regulations in relation to employment during the Reporting Period.

### B1.1 Employment Figures

As of 31 December 2025, the Group had a total of 16 employees in its Hong Kong office, and the detail breakdown of the workforce is as follows:

	31 December 2025
<b>By Employment Type</b>	
Full-time	15
Part-time	1
<b>By Gender</b>	
Male	3
Female	13
<b>By Employee Category</b>	
Senior Management	3
Middle Management	6
Frontline and Other Employees	7
<b>By Age Group</b>	
18-29	0
30-50	8
Above 50	8
<b>By Geographical Location</b>	
Hong Kong	16
<b>Total</b>	16

### B1.2 Turnover Figures

A total of 25 employees left the Group during the Reporting Period, which corresponds to a turnover rate of 87.7%. The primary driver for this high turnover rate is the discontinuation of the fashion retail business in November 2025. The Group regularly reviews salary remuneration and benefits to retain talents and stay attractive and competitive in the market.

The detail breakdown of turnovers by gender, age group, and geographical region for the Reporting Period is as follows:

	Number	Turnover Rate
<b>By Gender</b>		
Male	3	66.7%
Female	22	91.7%
<b>By Age Group</b>		
18-29	0	N/A
30-50	5	47.6%
Above 50	20	111.1%
<b>By Geographical Location</b>		
Hong Kong	25	87.7%
<b>Total</b>	25	87.7%

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

### *B1.3 Competitive Compensation and Benefits*

The Group's HR policies strictly adhere to all applicable employment laws and regulations in Hong Kong and are duly applied to determine employees' welfare and benefits.

The Group offers comprehensive and competitive remuneration and welfare packages to attract and retain talents, and remuneration policies are reviewed on a regular basis. The Group also makes reference to market benchmarks to attract and maintain a high-calibre workforce. The Group conducts annual staff performance assessments and offers promotion opportunities and salary increments to reward employees' contributions. Discretionary or performance bonus may be awarded to employees in recognition of their specific work achievements and to encourage them to strive for continuous improvement.

Various types of leave are provided, including marriage leave, jury leave, compassionate leave and examination leave, in addition to stipulated statutory holidays. Employees are entitled to benefits under the Mandatory Provident Fund scheme, medical benefits scheme and employees' compensation insurance.

To cultivate employees' sense of belonging, the Group offers additional employee benefits such as medical insurance, staff discounts and early leave on the eve of festival days. The Group also subsidises membership fee of the relevant professional bodies that employees join and grants long service awards to eligible staff.

The Group determines working hours and rest periods for employees according to their employment category and offers flexibility on the starting work time, depending on the job nature and position, to help employees to have a healthy balance between work and family commitments.

There were no major changes in policies relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity and anti-discrimination during the Reporting Period.

### *B1.4 Promotion, Transfer and Dismissal*

The Group aims to provide channels of promotion and promote employees based on their performance, qualification, integrity and ability. Promotion will be offered with considerations of the Group's operation, competence, potential and interpersonal skills of the employee and recommendations given by the employee's Department Manager.

At the same time, termination of employment contract is based on reasonable, fair and lawful grounds. The Group strictly prohibits unfair dismissals. Employees who wish to resign must notify in writing with the notice period as stipulated in their employment contracts.

### *B1.5 Equal Opportunity*

As an equal opportunity employer, the Group is committed to create a fair, respectful and diverse working environment by promoting anti-discrimination and equal opportunity in all human resources and employment decisions.

Training and promotion opportunities, dismissals and retirement policies are determined irrespective of gender, race, age, disability, family status, marital status, sexual orientation, religious beliefs, nationality or any other non-job-related factors. The Group's equal opportunity policy enforces zero tolerance to any workplace discrimination, harassment or victimisation in accordance with relevant government legislation and regulations.

If there are any discrimination incidents, employees can report to HR Department. Disciplinary action would be taken on non-compliance or breach of legislation in relation to the Group's equal opportunity policy.

### *B1.6 Employee Communication*

To cultivate employees' sense of belonging, during the Reporting Period, the Group hosted a variety of activities including annual staff parties and monthly short social gathering in the office, and provided other benefits such as discount on merchandise of the fashion retail business, festive offerings such as mooncakes and Tuen Ng Festival rice dumplings.

In terms of internal coaching and communication, frequent two-way communications between general and managerial staff is encouraged. Communication effectiveness is achieved through in person channels, such as bulletin board posting, training sessions and meetings, and digital format such as Teams app, emails, website and shared common intranet folders. An interactive communication system benefits the Group's decision-making process and can lead to a barrier-free employer-employee relationship.

## *B2. Employee Health and Safety*

To provide and maintain good working conditions and a safe and healthy working environment, the Group's staff handbook sets out the safety and emergencies policies and procedures. The Group has complied with relevant occupational health related laws and regulations, these include but not limited to:

- Employees' Compensation Ordinance (Chapter 282 of the Laws of Hong Kong)
- Occupational Safety and Health Ordinance (Chapter 509 of the Laws of Hong Kong)

Management is committed to workplace health and safety and has incorporated a range of occupational health and safety measures for employees in the office and retail shops. Posters providing tips on postures and other safety actions while working on computer and suggestions of stretching exercise are displayed in common areas. The Group has arranged for a number of employees to acquire Qualified First Aider status for the benefit of its employees and customers in the event of a medical emergency or accident. The Group adopts the Government's guidelines in ensuring safety of employees in relation to severe weather conditions such as typhoons and major rainstorms.

The Group also strives to provide a healthy and safe working environment for its employees in other ways such as prohibiting smoking and drinking liquor (except for special celebration occasions) in any workplace; regular cleaning of the air-conditioning systems; regular disinfection treatment of carpets; regular inspections on fire prevention systems and conducting fire drills. The Group offers free annual flu vaccination to its employees.

### *B2.1 Work-related fatalities and injury*

During the Reporting Period, the Company did not receive any complaints or lawsuits regarding violations of health and safety-related laws, and the number of working days lost due to work injuries was 83 days (2 cases). There were no work-related fatalities in the past three years.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

### B3. Development and Training

The Group offers different training and development opportunities to employees to strengthen their work-related skills and knowledge, and to improve operational efficiency and productivity. Regular in-house training and development are also provided to employees, such as occupational safety and health training, anti-corruption training, and IT related training. The Group encourages and subsidises employees to pursue relevant educational or training opportunities to enhance employees' competitiveness and improve the quality of work through continuous learning.

During the Reporting Period, 32 employees received training as arranged by the Group, and the average training hours that each employee received was 16.7 hours. Training provided was mostly duty-related courses or seminars delivered by external service providers. The trainings covered topics such as professional knowledge on rules and regulations, business skills, occupational health and safety, IT Training and anti-corruption.

The percentage and average training hours per gender and employee category during the Reporting Period are as follows:

	Percentage of Trained Employees	Average Training Hours per Employee
<b>By Gender</b>		
Male	12.5%	20.5
Female	87.5%	15.8
<b>By Employee Category</b>		
Senior Management	9.4%	30.3
Middle Management	28.1%	12.2
Frontline and Other Employees	62.5%	14.7

### B4. Labour Standards

Pursuant to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), there was no child nor forced labour in the Group's operation during the Reporting Period. The HR Department regularly reviews hiring practices of the Group to ensure that no child or forced labour is employed. The recruitment process consists of age verification and identification examination to avoid child labour. If any case of non-compliance is discovered, the Group will immediately terminate employment and further investigate to avoid recurrence.

## 2. Operating Practices

### B5. Supply Chain Management

Following the discontinuation of the fashion retail business, the Group's supply chain is now limited to suppliers of professional services for its investment holding, securities trading and the strategic management of group assets operations.

Prior to its discontinuation, the supply chain management practices of the fashion retail business were as follows:

- (i) The Group acknowledged the growing global concern regarding environmental impacts and labour conditions in apparel supply chains. These impacts had the potential to damage an entity's reputation and affect cost structures over time. As a socially responsible enterprise, it was critical and vital for SWANK to maintain and manage a sustainable and reliable supply chain. The supply chain management practice included establishing mutual trust and understanding between SWANK and relevant business partners. SWANK expected suppliers to comply with the laws and regulations in the countries and regions where their operations were located and operate in good faith by adhering to proper business ethics. SWANK endeavoured to follow up on the implementation of remedial measures, if any, to ensure that they were carried out properly and effectively.
- (ii) SWANK also understood the importance of maintaining good relationships with suppliers and business partners to ensure sustainable development of the business. Accordingly, SWANK management maintained good communication and conduct with suppliers through regular meetings, phone calls and emails to exchange ideas and share business updates where appropriate. Most of SWANK's suppliers produced in highly regulated and "safe" environments, such as the European Union.
- (iii) SWANK's Management was responsible for monitoring the quality of the suppliers and implementing the supply chain practices. SWANK selected suppliers that met its merchandise requirements and market positioning of "Luxury & Sophisticated". SWANK had a formal brand selection policy and procedure that governed the selection and evaluation of merchandise brand, which the key criteria included product design, styling, price, sales track record, product workmanship or quality, brand awareness, accountability, trade terms, delivery, the suppliers' background, credit rating and their awareness of social and environmental responsibility.
- (iv) During the Reporting Period, SWANK engaged with a total of 98 suppliers, mainly from Mainland China, Europe, United Kingdom and Japan, and there was no material or significant dispute between SWANK and its suppliers.

## *B6. Product Responsibility*

SWANK takes full responsibility for its products and services, and follows all regulatory requirements, industry guidelines and internal procedures on safeguarding customer health and safety, promoting responsible marketing and ensuring privacy of information relating to SWANK and its business partners. During the Reporting Period, SWANK strictly complied with the following ordinances:

- Trade Descriptions Ordinance (Chapter of 362 of the Laws of Hong Kong)
- Copyright Ordinance (Chapter 528 of the Laws of Hong Kong)
- Competition Ordinance (Chapter 619 of the Laws of Hong Kong)
- Sales of Goods Ordinance (Chapter 26 of the Laws of Hong Kong)
- Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong)

### *B6.1. Product Labelling and Advertising*

All sales and marketing materials aim to provide accurate and precise information to customers and are reviewed and approved in accordance with internal procedures. SWANK promoted offerings and activities to customers through its website, newsletters and social media platforms, such as Facebook and Instagram, and other channels. These platforms also served to gather comments and feedback. Additionally, a suggestion box was placed in each of the retail stores for customers to share their opinions and comments. Management reviewed and responded to feedback and comments promptly and took follow up action where necessary.

### *B6.2. Quality Assurance*

Management recognises the growing regulatory and stakeholder concern surrounding the use of harmful or potentially harmful substances in consumer products. The presence of certain chemicals in finished products could pose risks to human health and the environment, and failure to manage this issue may result in increased regulatory oversight, product recalls, litigation, and reputational damage.

Under the “QUALITY” principle, Management has placed great importance on product quality through systematic inspection procedures whereby procured merchandise undergoes meticulous manual inspection. SWANK required suppliers to provide relevant internationally recognised certification(s) to ensure that the merchandise had been produced under good quality control, further confirming that they have met established safety and quality benchmarks. The merchandise must comply with the standards and local laws and regulations of the relevant country of origin. SWANK would recall unqualified merchandise, if necessary, in accordance with pre-agreed return procedures.

Complaints received are handled by Management in accordance with internal procedures. Management investigates the complaints and takes appropriate action in a timely manner. During the Reporting Period, SWANK did not receive any complaints from its customers or recall any merchandise due to safety and health reasons and there was no material or significant dispute between SWANK and any customers.

### *B6.3 Consumer Data Protection*

The Group places utmost importance on protecting the privacy of its customers in the collection, usage, processing and storage of their personal data. The Group strictly abides by the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong) to ensure that customers' rights are protected.

All personal data collected are treated confidentially, kept securely and processed only for the purpose for which it has been collected. SWANK's Privacy Policy is clearly stated on its website. Data privacy e-learning materials are regularly sent to employees to increase awareness of handling business-related personal data. No substantiated complaints concerning breaches of client privacy, identified leaks, thefts, or losses of customer information was received during the Reporting Period.

### *B6.4 Intellectual Property Rights*

The Group builds up and protects its intellectual property rights through prolonged use and registration of domain names and trademarks. The Group has a number of registered trademarks in various classes in Hong Kong, Mainland China and Taiwan in accordance with the Trademark Ordinance (Chapter 559 of the Laws of Hong Kong) and in other jurisdictions under the relevant laws and regulations. In addition, the Group's trademarks and domain names are constantly monitored and renewed upon their expiration. During the Reporting Period, there had been no cases that violate intellectual property rights.

### *B7. Anti-corruption*

To maintain a fair, ethical and efficient business environment, the Group strictly abides by the Prevention of Bribery Ordinance (Chapter 201 of the Laws of Hong Kong) and has developed a Code of Conduct for its employees with reference to the ordinance. All employees are required to strictly follow the Group's Code of Conduct to prevent potential bribery, extortion, fraud and money laundering which may exploit their positions against the Group's interests in the course of business. Any breach of the rules will be disciplined, including termination of employment, and may be reported to the relevant authorities for possible prosecution under applicable laws. All employees are required to submit an annual declaration of compliance with the Code of Conduct. The Group has also adopted the Code of Conduct for External Parties, which aims to strengthen the Group's high level of integrity and prevent any potential bribery situations between employees and vendors. This code is available for access on the Company Website.

To further enhance anti-corruption awareness, the Group arranged comprehensive training for its Directors and employees during the Reporting Period. This included distribution of anti-corruption e-learning materials to all Directors as a refresher on anti-corruption laws and regulations, and a mandatory online anti-corruption training session for all employees. Additionally, two Directors were enrolled to attend an integrity training webinar titled "Ethics Legacy – Ethical and Governance Roles of Directors and Senior Management of Publicly Listed Companies", organised by the Hong Kong Ethics Development Centre of the Independent Commission Against Corruption. These initiatives underscore the Group's commitment to maintaining high ethical standards and ensuring that its Directors and employees are well-informed about anti-corruption practices.

The Group has also formulated robust whistleblowing mechanisms. An internal whistleblowing policy named "Policy for Employees Reporting Possible Improprieties in Matters of Financial Reporting, Internal Control or Other Matters" outlines the reporting channels and provides guidance on reporting possible improprieties, with reassurance to whistleblowers of protection against any unfair dismissal or harassment for genuine reports. The Group provides a confidentiality mechanism to protect whistleblowers without fear of threats or retaliation.

## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

A training session for employees on whistleblowing was conducted in 2018, presided over by an Independent Non-executive Director who is also the Chair of the Company's Audit Committee, and this training session was video recorded and is shown to all new joined staff as part of their induction course. Furthermore, the Group has developed and adopted the "Whistleblowing Policy for External Parties" to provide customers, suppliers and any other business partners with reporting channels and guidance on reporting possible improprieties, and this policy is made available on the Company Website.

During the Reporting Period, there were no cases of bribery, extortion, fraud and money laundering. There were also no concluded legal cases regarding corruption brought against the Group or its employees.

### **B8. Community Investment**

The Group places emphasis on cultivating awareness of social responsibility among its staff through encouraging and supporting staff to engage in community activities. The Group takes the lead by identifying charitable events that provide opportunities for staff to take part in and encourages participation by allowing staff to take time off work or by matching staff donations. The Group aims to support the work of charity organizations that help to fulfil the needs of the society and the community continually.

During the Reporting Period, the Group engaged in the following community activities:

- (i) Made a cash donation contributed by both employees and the Company to KELY Support Group, a registered non-governmental organisation dedicated to equipping young people with the essential skills, knowledge, and opportunities to make positive life choices and become proactive contributors to society;
- (ii) Donated 11 pieces of past-season clothing items to Metier Minus Limited, a registered non-profit organisation that promotes post-loved luxury fashion and utilises the funds raised to support youth and women empowerment initiatives;
- (iii) Purchased charity mooncakes (part of staff engagement activities) from Coffee Bunnies, a social enterprise founded by The Neighbourhood Advice-Action Council; and
- (iv) Purchased cookie gift boxes from iBakery, a social enterprise founded by Tung Wah Group of Hospitals, to serve as refreshments at the Company's annual general meeting.

**Penny Soh Peng CROSBIE-WALSH**

*Executive Director and Chief Executive Officer*

Hong Kong, 27 March 2026

# INDEPENDENT AUDITOR'S REPORT



## TO THE MEMBERS OF ENM HOLDINGS LIMITED

*(Incorporated in Hong Kong with limited liability)*

### Opinion

We have audited the consolidated financial statements of ENM Holdings Limited and its subsidiaries (“the Group”) set out on pages 79 to 145, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### Basis for Opinion

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

# INDEPENDENT AUDITOR'S REPORT

## Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. The key audit matter we identified is:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Fair values of Hilltop property</b> <i>(Refer to note 5 and note 19 to the consolidated financial statements)</i></p> <p>The Group has a property ("Hilltop property") situated in Hong Kong with aggregate value of HK\$320,000,000 as at 31 December 2025. As described in note 4(e) to the consolidated financial statements, Hilltop property is stated at revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.</p> <p>In determining the fair values of Hilltop property, the Group 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 determined the highest and best use of Hilltop property to be development for residential on the basis of the rezoning approval as further explained in note 19 to the consolidated financial statements.</p> <p>The Group appointed an independent professional valuer to assist management to assess the fair value of Hilltop property for redevelopment to residential use using the residual approach, whereby the valuation was derived from the gross development value upon completion (using a direct comparison approach) less estimated development costs and allowance for developer's risk and profit.</p>	<p>Our procedures in relation to management's valuation assessment of Hilltop property included:</p> <ul style="list-style-type: none"><li>– Assessing the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors including subjectivity;</li><li>– Understanding and evaluating key control over the Group's estimation of the fair value of Hilltop property;</li><li>– Evaluating the outcome of prior period estimation of the fair value of Hilltop property to assess the effectiveness of management's estimation process;</li><li>– Evaluating the Group's determination that the highest and best use of Hilltop property is redevelopment for residential use based on our understanding of the progress and status of the rezoning approval;</li><li>– Evaluating the external valuer's competence, capabilities and objectivity;</li><li>– Holding discussions with management and the Group's external valuer to understand the valuation methodologies and key input used;</li></ul>

## Key Audit Matter

## How our audit addressed the Key Audit Matter

### Fair values of Hilltop property (cont'd)

*(Refer to note 5 and note 19 to the consolidated financial statements)*

The Group recognised a revaluation decrease of HK\$21,893,000 for the year ended 31 December 2025 (note 19).

The determination of the highest and best use of Hilltop property requires significant management judgement. The fair value measurement of Hilltop property is categorised as level 3 as the residual approach requires the use of certain unobservable inputs and assumptions about the risks that involve greater estimation uncertainty.

The inherent risk in relation to the fair value estimate of Hilltop property is considered significant. Therefore, we identified the fair value of Hilltop property as a key audit matter.

- With the assistance of an auditor's valuation specialist:
  - i) Assessing the appropriateness and mathematical accuracy of the valuation model;
  - ii) Challenging the reasonableness of the key assumptions in light of available market information;
  - iii) On a sample basis, checking the relevance and reasonableness of input data used, including the market price of nearby residential properties, estimation of market construction cost, anticipated developer's profit margin, and reasonableness of adjustments to the input data to reflect the specific characteristics of Hilltop property;
  - iv) On a sample basis, comparing the data used by the Group's external valuer against the development plan approved by the government authority, published industry benchmarks and comparable market transactions.
- Assessing the adequacy of the fair value disclosures in respect of Hilltop property in the consolidated financial statements.

# INDEPENDENT AUDITOR'S REPORT

## Other Information

The directors are responsible for the Other Information. The Other Information comprises all the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

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

## Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

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

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

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

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

## INDEPENDENT AUDITOR'S REPORT

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

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

The engagement partner on the audit resulting in this independent auditor's report is Yam Tak Fai, Ronald (Practising Certificate Number: P01311).

#### **RSM Hong Kong**

*Certified Public Accountants*

29th Floor, Lee Garden Two,  
28 Yun Ping Road,  
Causeway Bay,  
Hong Kong

27 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000 (restated)
<b>Continuing operations</b>			
<b>Revenue</b>	9	<b>19,920</b>	18,799
Other income	10	1,957	1,199
Administrative expenses		(26,064)	(26,527)
Depreciation of property, plant and equipment		(406)	(399)
Other operating gains, net	13	30,464	12,172
<b>Profit from operations</b>		<b>25,871</b>	5,244
Fair value losses on investment properties, net		(3,854)	(2,600)
Finance costs	11	(60)	(71)
<b>Profit before tax</b>		<b>21,957</b>	2,573
Income tax expense	12	—	—
<b>Profit for the year from continuing operations</b>	13	<b>21,957</b>	2,573
<b>Discontinued operations</b>			
Profit/(Loss) for the year from discontinued operations	17(a), (b)	2,327	(10,478)
<b>Profit/(Loss) for the year</b>		<b>24,284</b>	(7,905)
<b>Attributable to:</b>			
<b>Owners of the Company</b>			
Profit for the year from continuing operations		21,957	2,574
Profit/(Loss) for the year from discontinued operations		2,327	(10,478)
Profit/(Loss) for the year attributable to owners of the Company		24,284	(7,904)
<b>Non-controlling interests</b>			
Loss for the year from continuing operations attributable to non-controlling interests		—	(1)
		<b>24,284</b>	(7,905)

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$	2024 HK\$ (restated)
<b>Earnings/(Loss) per share</b>			
From continuing and discontinued operations			
– Basic	16(a)(i)	<u>1.47 cents</u>	<u>(0.48) cents</u>
– Diluted	16(b)	<u>N/A</u>	<u>N/A</u>
From continuing operations			
– Basic	16(a)(ii)	<u>1.33 cents</u>	<u>0.16 cents</u>
– Diluted	16(b)	<u>N/A</u>	<u>N/A</u>
From discontinued operations			
– Basic	16(a)(iii)	<u>0.14 cents</u>	<u>(0.64) cents</u>
– Diluted	16(b)	<u>N/A</u>	<u>N/A</u>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Profit/(Loss) for the year</b>		<u>24,284</u>	<u>(7,905)</u>
<b>Other comprehensive loss:</b>			
<i>Items that will not be reclassified to profit or loss:</i>			
Fair value loss on revaluation of Hilltop property	7(b)	(21,893)	(35,713)
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences reclassified to profit or loss on dissolution of subsidiaries		<u>(1,187)</u>	<u>—</u>
<b>Other comprehensive loss for the year, net of tax</b>		<u>(23,080)</u>	<u>(35,713)</u>
<b>Total comprehensive income/(loss) for the year</b>		<u><u>1,204</u></u>	<u><u>(43,618)</u></u>
<b>Attributable to:</b>			
Owners of the Company		1,204	(43,617)
Non-controlling interests		<u>—</u>	<u>(1)</u>
		<u><u>1,204</u></u>	<u><u>(43,618)</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	19	320,264	340,661
Right-of-use assets	20	1,055	3,351
Investment properties	21	46,600	50,200
Financial assets at fair value through profit or loss	22	52,582	43,410
Total non-current assets		420,501	437,622
<b>Current assets</b>			
Inventories	23	—	655
Trade and other receivables	24	8,416	7,697
Financial assets at fair value through profit or loss	22	414,800	345,361
Pledged bank deposits	25	—	10,000
Time deposits	25	182,969	220,658
Cash and bank balances	25	9,392	15,806
Total current assets		615,577	600,177
<b>Current liabilities</b>			
Trade and other payables	26	9,292	10,652
Lease liabilities	27	835	2,323
Total current liabilities		10,127	12,975
<b>Net current assets</b>		605,450	587,202
<b>Non-current liabilities</b>			
Lease liabilities	27	—	835
<b>NET ASSETS</b>		1,025,951	1,023,989

	Note	2025 HK\$'000	2024 HK\$'000
<b>Capital and reserves</b>			
Issued capital	29	1,206,706	1,206,706
Accumulated losses		(1,209,695)	(1,233,979)
Other reserves	31	1,028,940	1,052,020
Equity attributable to owners of the Company		1,025,951	1,024,747
Non-controlling interests		—	(758)
<b>TOTAL EQUITY</b>		<b>1,025,951</b>	<b>1,023,989</b>

Approved by the Board of Directors on 27 March 2026 and are signed on its behalf by:

**Hung Han WONG**

*Non-executive Director and Non-executive Chairman*

**Penny Soh Peng CROSBIE-WALSH**

*Executive Director and Chief Executive Officer*

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Attributable to owners of the Company							Non-controlling interests	Total equity
	Issued capital	Special reserve	Exchange fluctuation reserve	Property revaluation reserve	Accumulated losses	Total			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		(Note 31(b)(i))	(Note 31(b)(ii))	(Note 31(b)(iii))					
At 1 January 2024	1,206,706	808,822	1,187	277,724	(1,226,075)	1,068,364	(757)	1,067,607	
Total comprehensive loss and change in equity for the year	—	—	—	(35,713)	(7,904)	(43,617)	(1)	(43,618)	
At 31 December 2024	<u>1,206,706</u>	<u>808,822</u>	<u>1,187</u>	<u>242,011</u>	<u>(1,233,979)</u>	<u>1,024,747</u>	<u>(758)</u>	<u>1,023,989</u>	
At 1 January 2025	<b>1,206,706</b>	<b>808,822</b>	<b>1,187</b>	<b>242,011</b>	<b>(1,233,979)</b>	<b>1,024,747</b>	<b>(758)</b>	<b>1,023,989</b>	
Total comprehensive income for the year	—	—	(1,187)	(21,893)	24,284	1,204	—	1,204	
Dissolution of subsidiaries	—	—	—	—	—	—	758	758	
Total changes in equity for the year	—	—	(1,187)	(21,893)	24,284	1,204	758	1,962	
At 31 December 2025	<u><b>1,206,706</b></u>	<u><b>808,822</b></u>	<u><b>—</b></u>	<u><b>220,118</b></u>	<u><b>(1,209,695)</b></u>	<u><b>1,025,951</b></u>	<u><b>—</b></u>	<u><b>1,025,951</b></u>	

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before tax:			
From continuing operations, restated		21,957	2,573
From discontinued operations, restated	17(a), (b)	2,327	(10,478)
		<b>24,284</b>	<b>(7,905)</b>
Adjustments for:			
Depreciation of property, plant and equipment		406	745
Depreciation of right-of-use assets		2,426	10,712
Impairment loss of property, plant and equipment		—	631
Impairment loss of trade receivables		—	9
Finance costs		90	569
Write-back of inventories allowances		(10,048)	(6,324)
Dividend income from:			
Financial assets at fair value through profit or loss		(7,896)	(9,587)
Interest income from:			
Financial assets at fair value through profit or loss		(3,061)	(2,016)
Other financial assets		(8,963)	(7,196)
Fair value losses on investment properties, net		3,854	2,600
Gains on disposal of property, plant and equipment		—	(327)
Fair value losses/(gains) from financial assets at fair value through profit or loss, net		(27,356)	289
Gains on disposal of financial assets at fair value through profit or loss, net		(2,726)	(12,101)
Gain on dissolution of subsidiaries		(429)	—
Gain on modification of a lease agreement		—	(71)
Write-back of provision for reinstatement cost		(138)	(578)
Write-back of accrued payables		(221)	—
Foreign exchange loss/(gain), net		(35)	22
Operating loss before working capital changes		(29,813)	(30,528)
Decrease in inventories		10,703	17,594
Decrease in trade and other receivables		584	7,493
Decrease in trade and other payables		(1,475)	(13,372)
<b>Cash used in operations</b>		<b>(20,001)</b>	<b>(18,813)</b>
Interest received			
		11,084	7,989
Dividends received from:			
Financial assets at fair value through profit or loss		7,628	10,094
Purchases of financial assets at fair value through profit or loss		(308,167)	(201,321)
Proceeds from disposal of financial assets at fair value through profit or loss		260,485	351,085
<b>Net cash generated from/(used in) operating activities</b>		<b>(48,971)</b>	<b>149,034</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 HK\$'000	2024 HK\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Addition to property, plant and equipment		(1,740)	(6,279)
Purchases of financial assets at fair value through profit or loss		(1,148)	(979)
Proceeds from disposal of property, plant and equipment		—	328
Proceeds from refund of capital from financial assets at fair value through profit or loss		205	—
Decrease in pledged time deposits		10,000	—
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		9,438	(53,308)
<b>Net cash generated from/(used in) investing activities</b>		<b>16,755</b>	<b>(60,238)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank loans raised	33(a)	—	11,724
Repayment of bank loans	33(a)	—	(16,803)
Interest paid	33(a)	—	(150)
Capital element of lease rentals paid	33(a)	(2,393)	(9,547)
Interest element of lease rentals paid	33(a)	(90)	(419)
<b>Net cash used in financing activities</b>		<b>(2,483)</b>	<b>(15,195)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(34,699)</b>	<b>73,601</b>
Effect of foreign exchange rate changes, net		34	(21)
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>		<b>162,288</b>	<b>88,708</b>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>		<b>127,623</b>	<b>162,288</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Non-pledged time deposits		182,969	220,658
Less: Non-pledged time deposits with original maturity of over three months when acquired		(64,738)	(74,176)
Non-pledged time deposits with original maturity of less than three months when acquired		118,231	146,482
Cash and bank balances		9,392	15,806
		<b>127,623</b>	<b>162,288</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 1. CORPORATE INFORMATION

ENM Holdings Limited (the “Company”) was incorporated in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The address of its registered office and principal place of business is Suite 2503, 25/F, Tower 2, Nina Tower, 8 Yeung Uk Road, Tsuen Wan, New Territories, Hong Kong. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 32 to the consolidated financial statements.

## 2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). HKFRS Accounting Standards comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with the requirements of the Companies Ordinance (Cap. 622, Laws of Hong Kong).

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

## 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS

### (a) Application of new and revised HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards and interpretation issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1      Lack of Exchangeability

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

### (b) Revised HKFRS Accounting Standards in issue but not yet effective

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new standards and amendments to standards and interpretation, which are not effective for the year ended 31 December 2025 and which have not been early adopted by the Group for the annual reporting period ended 31 December 2025. These developments include the following which may be relevant to the Group.

	<b>Effective for accounting periods beginning on or after</b>
Amendments to HKFRS 9 and HKFRS 7 – Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18 – Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HK Int 5 – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The Directors of the Company anticipate that the application of all other amendments to HKFRS Accounting Standards is not expected to have material impact on the consolidated financial statements in the foreseeable future.

#### *HKFRS 18 Presentation and Disclosure in Financial Statements*

HKFRS 18 will replace HKAS 1 “Presentation of financial statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose financial performance in the financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

### 3. ADOPTION OF NEW AND REVISED HKFRS ACCOUNTING STANDARDS (CONT'D)

#### (b) Revised HKFRS Accounting Standards in issue but not yet effective (Cont'd)

##### *HKFRS 18 Presentation and Disclosure in Financial Statements (Cont'd)*

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The amendments are effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted. The Directors of the Company anticipate that the application of HKFRS 18 has no significant impact on the financial position and performance of the Group in terms of recognition and measurement. However, it is expected to affect the presentation and disclosures of the consolidated financial statements of profit or loss.

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

The HKICPA issued targeted amendments to HKFRS 9 and HKFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments are effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

##### *Amendments to HKFRS 10 and HKAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to HKFRS 10 Consolidated Financial Statements and HKAS 28 Investments in Associates and Joint Ventures deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments is yet to be determined by the HKICPA. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. revaluation of investment properties, Hilltop property and certain financial instruments that are measured at fair value).

The preparation of financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

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

### (a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (b) Separate financial statements

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale). Cost includes direct attributable costs of investments. The results of subsidiaries are accounted for by the Company on the basis of dividend received or receivable.

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

### (c) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured either at fair value or at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (d) Foreign currency translation

#### (i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

#### (ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

### (e) Property, plant and equipment

Property, plant and equipment, except Hilltop property (previously used to operate Hill Top Country Club and currently held for future development), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Hilltop property (previously used to operate Hill Top Country Club and currently held for future development), is stated in the consolidated statement of financial position at its revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### (e) Property, plant and equipment (Cont'd)

Any increase in value arising from the revaluation of Hilltop property is recognised as Other Comprehensive income and accumulated in the property revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such Hilltop property is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the property revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued Hilltop property is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the property revaluation reserve is transferred directly to retained earnings.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost or revalued amounts less their residual values, over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Hilltop property	Over the remaining lease terms
Leasehold improvements	Over the shorter of the remaining lease period or 5 to 6 years
Furniture, fixtures and equipment	2 to 5 years

The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

##### (f) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties are stated at fair value, unless they are still in the course of construction or development at the end of the reporting period and their fair value cannot be reliably measured at that time.

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

An investment property is derecognised upon disposal or when the investment property is withdrawn from use. Any gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 4(r).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (g) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

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

Where the contract contains lease component(s) and non-lease component(s), the Group has elected to separately account for them.

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

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

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 4(f).

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.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (g) Leases (Cont'd)

#### (i) *The Group as a lessee (Cont'd)*

Refundable rental deposits paid are accounted under 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.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

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

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying assets to the lessee. If this is not the case, the lease is classified as an operating lease.

### (h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out basis or the actual basis and comprises invoiced value of purchases, and where appropriate, freight, insurance and delivery charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (i) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("ECL") in accordance with the policy set out in note 4(w) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. 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.

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

### (j) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (k) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. Recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Debt investments*

Debt investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest (“SPPI”). Interest income from the investment is calculated using the effective interest method.
- Fair value through other comprehensive income (“FVOCI”) - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

#### *Equity investments*

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer’s perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as revenue.

### (l) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement. Cash and cash equivalents are assessed for ECL.

### (n) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRS Accounting Standards. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### (o) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

### (p) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (q) Equity instruments

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

### (r) Revenue recognition

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

#### (i) *Retail of fashion wear and accessories*

Revenue from the sale of fashion wear and accessories is recognised when control of the goods has transferred, being at the point the customer purchases the fashion wear and accessories at the retail shops or upon the delivery of fashion wear and accessories through an external e-commerce platform. Payment of the transaction price is due immediately at the point the customer purchases the fashion wear and accessories. Under the Group's standard contract terms, customers normally have a right of return within 7 days and 30 days for sales via retail stores and an on-line retail channel respectively. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method.

#### (ii) *Resort and recreational club operations*

Member's entrance fee income and subscription fee income are recognised over the membership and subscription period respectively. Revenue from the provision of resort and club facilities and other services is recognised over time as the services are rendered. Revenue from catering service is recognised at a point in time when the goods are transferred or the service are provided to the customer, being at the point that the customers have received the services or obtained control of the goods.

#### (iii) *Dividend income*

Dividend income is recognised when the Group's rights as a shareholder to receive payment has been established.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (r) Revenue recognition (Cont'd)

#### (iv) *Interest income*

Interest income from financial assets at FVPL is included in the revenue, see note 9.

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of revenue. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

#### (v) *Rental income*

Rental income is recognised on a straight-line basis over the lease term.

### (s) Employee benefits

#### (i) *Employee leave entitlements*

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

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

#### (ii) *Pension obligations*

The Group operates only the defined contribution retirement schemes.

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

For long service payment ("LSP") obligation, the Group accounts for the employer MPF contributions expected to be offsetted as a deemed employee contribution towards the LSP obligation in term of HKAS 19 paragraph 93(a) and it is measured on a net basis. The estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's MPF contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

#### (iii) *Termination benefits*

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

#### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

##### (t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

##### (u) Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (u) Taxation (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

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 right-of-use assets and lease liabilities 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 differences can be utilised and a deferred tax liability for all taxable temporary differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (v) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or that are not yet available for use are reviewed for impairment annually and whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount 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. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the cash-generating unit.

Value in use is the present value of the estimated future cash flows of the asset/cash-generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/cash-generating unit whose impairment is being measured.

Impairment losses for cash-generating units are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the cash-generating unit. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### (w) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI, trade and other receivables and cash and cash equivalents. The amount of expected credit losses ("ECL") is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix 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 as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (w) Impairment of financial assets (Cont'd)

#### *Significant increase in credit risk*

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

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

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in the financial instrument's external (if available) credit rating;
- 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
- significant increases in credit risk on other financial instruments of the same debtor.

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

- (i) the financial instrument has a low risk of default,
- (ii) the debtor 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 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.

#### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- 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).

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (w) Impairment of financial assets (Cont'd)

#### *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:

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

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor 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. Any recoveries made are recognised in profit or loss.

#### *Measurement and recognition of Expected Credit Losses ("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. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### (x) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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

### (y) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### (z) Discontinued operation

A discontinued operation is a component of the Group (i.e. the operations and cash flows of which can be clearly distinguished from the rest of the Group) that either has been disposed of, or is classified as held for sale, and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated 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 component meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier. It also occurs when the component is abandoned.

When an operation is classified as discontinued, a single amount is presented in 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 constituting the discontinued operation.

## 5. CRITICAL JUDGMENTS AND KEY ESTIMATES

### Critical judgments in applying accounting policies

In the process of applying the accounting policies, the Directors have made the following judgments that have the most significant effect on the amounts recognised in the consolidated financial statements (apart from those involving estimations, which are dealt with below).

#### (a) *Deferred tax for investment properties*

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the Directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the Directors have adopted the presumption that investment properties measured using the fair value model are recovered through sale.

#### (b) *Business model assessment*

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Group's continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

### Key sources of estimation uncertainty

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

#### (a) *Allowances for inventories*

Allowances for inventories are made based on the ageing and estimated net realisable value of inventories. The assessment of the amount of the allowance involves judgment and estimates which take into consideration the current and projected market conditions and the historical experience of selling products of similar nature, although this could change significantly as a result of changes in customer preference and competition in the industry. The Group reassesses the estimates at the end of each reporting period.

During the year ended 31 December 2025, the Group ceased its retail and fashion wear business and thus there was no inventory balance as at the year end 2025.

As at 31 December 2025, the Group's allowances for inventories was HK\$Nil (2024: HK\$16,167,000).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 5. CRITICAL JUDGMENTS AND KEY ESTIMATES (CONT'D)

### Key sources of estimation uncertainty (Cont'd)

#### (b) *Fair values of properties*

The Group appointed an independent professional qualified valuer to assess the fair values of Hilltop property and the investment properties. In determining their fair values, the valuer has utilised a method of valuation which involves certain estimates. The Directors have exercised their judgment to assess and are satisfied that the method of valuation utilized has reflected the current market conditions.

Further details, including the valuation techniques, judgement and key assumptions used for fair value measurement, have been disclosed in note 7 to the consolidated financial statements.

The aggregated carrying amount of Hilltop property and investment properties as at 31 December 2025 were HK\$366,600,000 (2024: HK\$390,200,000).

#### (c) *Fair value of financial assets at fair value through profit or loss - unlisted fund investments*

In the absence of quoted market prices in an active market, the Directors has estimated the fair value of certain of the Group's unlisted fund investments, details of which are set out in note 22(c)(i) and (ii) to the consolidated financial statements, by considering information from a variety of sources, including the latest financial information from the fund manager or administrator.

The carrying amount of these unlisted fund investments as at 31 December 2025 was HK\$52,582,000 (2024: HK\$43,410,000).

## 6. FINANCIAL RISK MANAGEMENT

The Group's business activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management practice focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) **Foreign currency risk**

The Group has certain exposure to foreign currency risk as most of its purchase transactions, investments and bank deposits are principally denominated in foreign currencies including US dollar and Euro. The Group closely monitors its foreign currency exposure and will take appropriate action to hedge against significant foreign currency exposure, should the need arise.

## 6. FINANCIAL RISK MANAGEMENT (CONT'D)

### (a) Foreign currency risk (Cont'd)

The following table summarises the change in the Group's consolidated profit after tax from continuing operations in response to reasonably possible changes in the exchange rates of foreign currencies to which the Group has exposure at the end of the reporting period and that all other variables remain constant. Such exposure is in other receivables, bank deposits and investments.

	Change in percentage in exchange rate against Hong Kong dollar	Effect on profit after tax (2024: profit, restated) from continuing operations HK\$'000	Effect on equity HK\$'000
<b>31 December 2025</b>			
US dollar	+/- 0.5%	+/-5,581	+/-5,581
Euro	+/- 5%	+/-443	+/-443
<b>31 December 2024</b>			
US dollar	+/- 0.5%	+/-4,980	+/-4,980
Euro, restated	+/- 5%	+/-167	+/-167

### (b) Price risk

The Group's investments classified as financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to price risk of equity and debt securities and fund investments. Senior Management manages this exposure by maintaining a portfolio of investments with different risk and return profiles.

At 31 December 2025, the Group's equity investments classified as financial assets at fair value through profit or loss was HK\$15,790,000 (2024: HK\$Nil), which are primarily listed on The New York Stock Exchange, The Nasdaq Stock Market, The Frankfurt Stock Exchange, The London Stock Exchange or The Tokyo Stock Exchange. If the share prices of the equity investments increase/decrease by 5%, consolidated profit after tax for the year from continuing operations would have been HK\$790,000 higher/lower, arising as a result of the fair value gain/loss of these investments.

At 31 December 2025, the Group's debt and fund investments classified as financial assets at fair value through profit or loss was HK\$399,010,000 (2024: HK\$345,361,000), which are primarily listed on The Berlin Stock Exchange, The New York Stock Exchange, The Nasdaq Stock Market, The Stock Exchange of Hong Kong Limited, or traded over-the-counter. At 31 December 2025, if the prices of the debt and fund investments increase/decrease by 5%, consolidated profit (2024: profit, restated) after tax for the year from continuing operation would have been HK\$19,951,000 higher/lower (2024: HK\$17,268,000 higher/lower), arising as a result of the fair value gain/loss of debt and fund investments classified as financial assets at fair value through profit or loss.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 6. FINANCIAL RISK MANAGEMENT (CONT'D)

### (c) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The carrying amount of these balances represent the Group's maximum exposure to credit risk in relation to financial assets. The Group's exposure to credit risk arising from cash and cash equivalents and financial instruments is relatively low because majority of the counterparties are reputable and high-credit-quality banks and financial institutions, of which would generally be considered to have low credit risk arising from non-performance.

#### *Trade receivables*

Customer credit risk is managed by each business unit in accordance with the Group's established policy, procedures and internal control relating to customer credit risk management and the credit terms given to customers would vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Normally, the Group does not obtain collateral from customers.

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

Expected loss rates are based on actual loss experience in the past years. During the year ended 31 December 2025, the Group ceased its retail and fashion wear business and thus there was no trade receivables balance as at the year end 2025. At 31 December 2024, the expected loss rate of trade receivables within one year (mainly include trade receivables arising from credit card sales and on-line sales which are normally settled in one-to-two business days in arrears and monthly in arrears respectively) are assessed to be immaterial because the counterparties are high-credit-quality banks or online retailer for whom there is no recent history of default; and the expected credit loss rate applicable to the balances over one year is 100%. These rates are adjusted to reflect differences between economic conditions during the period over which the historic 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:

	2025 HK\$'000	2024 HK\$'000
At 1 January	—	—
Impairment loss recognised, net	—	9
Amount written off as uncollectible	—	(9)
At 31 December	—	-

## 6. FINANCIAL RISK MANAGEMENT (CONT'D)

### (c) Credit risk (Cont'd)

#### *Other financial assets measured at amortised cost*

Other receivables mainly comprise of rental and other deposits, interest, dividend or sales proceeds receivable from banks/financial institutions. The Group's other financial assets at amortised cost are considered to have low credit risk because the counterparties are high-credit-quality banks/financial institutions or well-established real estate developer/management companies in Hong Kong, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. The expected credit losses for other receivables are not material under the 12-month expected losses method. No loss allowance provision was recognised during the year.

#### *Debt investments*

The Group is exposed to credit risk in relation to debt investments that are measured at FVPL. The maximum exposure at the end of the reporting period is the carrying amount of these investments of HK\$72,136,000 (2024: HK\$42,874,000).

### (d) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including taking of bank loans to cover expected cash demands, subject to approval by the Directors of the Company when the borrowing exceed certain predetermined level of authority.

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Less than 1 year HK\$'000	After 1 year but within 2 years HK\$'000	After 2 years but within 5 years HK\$'000	Total HK\$'000
<b>At 31 December 2025</b>				
Trade and other payables	7,518	—	—	7,518
Lease liabilities	845	—	—	845
<b>At 31 December 2024</b>				
Trade and other payables	7,597	—	—	7,597
Lease liabilities	2,413	845	—	3,258

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 6. FINANCIAL RISK MANAGEMENT (CONT'D)

### (e) Interest rate risk

The Group's exposure to interest-rate risk arises from its short-term bank deposits and interest-bearing bank borrowings. These deposits and borrowings bear interests at variable rates varied with the then prevailing market condition.

The Group's debt investments bear fixed interest rates and therefore are subject to fair value interest rate risk.

At 31 December 2025, if interest rates had been 50 basis points higher/lower with all other variables held constant, consolidated profit (2024: profit, restated) after tax for the year from continuing operations would have been HK\$898,000 higher/lower (2024: HK\$1,153,000 higher/lower), arising as a result of the increase/decrease in the interest income from bank deposits.

### (f) Categories of financial instruments at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
<b>Financial assets:</b>		
Financial assets at fair value through profit or loss	467,382	388,771
Financial assets at amortised cost	200,015	252,870
	<u>667,397</u>	<u>641,641</u>
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost	7,518	7,597

### (g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities, as reflected in the consolidated statement of financial position, approximate their respective fair values.

## 7. FAIR VALUE MEASUREMENTS

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 following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

## 7. FAIR VALUE MEASUREMENTS (CONT'D)

(a) Disclosures of level in fair value hierarchy at the end of the reporting period:

Description	Fair value measurements as at 31 December 2025 using:			2025
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Recurring fair value measurements:</b>				
Financial assets at fair value through profit or loss:				
– Listed equity investments	15,790	–	–	15,790
– Listed debt investments	–	68,756	–	68,756
– Unlisted debt investments	–	3,380	–	3,380
– Listed fund investments	9,100	–	–	9,100
– Unlisted fund investments	–	317,774	52,582	370,356
	<u>24,890</u>	<u>389,910</u>	<u>52,582</u>	<u>467,382</u>
Investment properties:				
– Industrial property situated in Hong Kong	–	46,600	–	46,600
Property, plant and equipment:				
– Hilltop property situated in Hong Kong	–	–	320,000	320,000
<b>Total recurring fair value measurements</b>	<u>24,890</u>	<u>436,510</u>	<u>372,582</u>	<u>833,982</u>

Description	Fair value measurements as at 31 December 2024 using:			2024
	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Recurring fair value measurements:</b>				
Financial assets at fair value through profit or loss:				
– Listed equity investments	–	–	–	–
– Listed debt investments	–	41,529	–	41,529
– Unlisted debt investments	–	1,345	–	1,345
– Listed fund investments	7,303	–	–	7,303
– Unlisted fund investments	–	295,184	43,410	338,594
	<u>7,303</u>	<u>338,058</u>	<u>43,410</u>	<u>388,771</u>
Investment properties:				
– Industrial property situated in Hong Kong	–	50,200	–	50,200
Property, plant and equipment:				
– Hilltop property situated in Hong Kong	–	–	340,000	340,000
<b>Total recurring fair value measurements</b>	<u>7,303</u>	<u>388,258</u>	<u>383,410</u>	<u>778,971</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 7. FAIR VALUE MEASUREMENTS (CONT'D)

### (b) Reconciliation of assets measured at fair value based on level 3:

Description	Financial assets		2025 Total HK\$'000
	Property, plant and equipment	at fair value through profit or loss	
	Hilltop property HK\$'000	Unlisted fund investments HK\$'000	
At 1 January 2025	340,000	43,410	383,410
Additions	1,893	1,148	3,041
Amount received in respect of return of capital of unlisted fund investments	—	(205)	(205)
Total fair value gain or loss recognised in other comprehensive income	(21,893)	—	(21,893)
Total fair value gain or loss recognised in profit or loss*	—	8,229	8,229
<b>At 31 December 2025</b>	<b>320,000</b>	<b>52,582</b>	<b>372,582</b>
* Include gains or losses for assets held at end of reporting period	—	8,229	8,229

Description	Financial assets		2024 Total HK\$'000
	Property, plant and equipment	at fair value through profit or loss	
	Hilltop property HK\$'000	Unlisted fund investments HK\$'000	
At 1 January 2024	370,000	49,822	419,822
Additions	5,713	979	6,692
Amount received in respect of return of capital of unlisted fund investments	—	—	—
Total fair value gain or loss recognised in other comprehensive income	(35,713)	—	(35,713)
Total fair value gain or loss recognised in profit or loss*	—	(7,391)	(7,391)
<b>At 31 December 2024</b>	<b>340,000</b>	<b>43,410</b>	<b>383,410</b>
* Include gains or losses for assets held at end of reporting period	—	(7,391)	(7,391)

The total fair value gains or losses recognised in profit or loss including those for assets held at end of reporting period arising from unlisted fund investments, are presented in "Other operating gains, net" in the consolidated statement of profit or loss.

## 7. FAIR VALUE MEASUREMENTS (CONT'D)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period:

The Group's Senior Management is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. In respect of level 3 fair value measurements, the Group normally engages external valuation experts with relevant recognised qualifications and experience to perform the valuations. The Senior Management review the level 3 fair value measurements twice a year, which is in line with the Group's reporting dates. The Directors also exercise their judgment on the method of valuation of Hilltop property and investment properties.

The valuation techniques used and the key inputs to the level 2 and level 3 fair value measurements as at 31 December 2025 and 31 December 2024 are set out below:

Description	Valuation technique and key inputs
<i>Level 2:</i>	
Listed and unlisted debt and fund investments	Quoted price provided by fund administrators/financial institutions
Industrial investment properties situated in Hong Kong	Direct comparison method: – Price per square feet
<i>Level 3:</i>	
Hilltop property situated in Hong Kong	Open market and highest and best use basis with the use of residual approach: – Market price of nearby residential properties – Estimation of market construction cost – Anticipated developer's profit margin
Unlisted fund investments	Net asset value provided by the administrator of the fund

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 7. FAIR VALUE MEASUREMENTS (CONT'D)

- (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period: (Cont'd)

The information about the significant unobservable inputs used in level 3 fair value measurement is set out below.

31 December 2025

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs
Hilltop property situated in Hong Kong	Open market and highest and best use basis with the use of residual approach	Market price of nearby residential properties	HK\$15,800/ square feet (2024: HK\$15,970/ square feet)	Increase
		Estimation of market construction cost	HK\$6,785/ square feet (2024: HK\$5,995/ square feet)	Decrease
		Anticipated developer's profit margin	15% (2024: 15%)	Decrease
Unlisted fund investments	Net asset value	Net asset value	N/A	N/A

In February 2022, the Group obtained approval from the Chief Executive in Council in respect of the rezoning of Hilltop property from "Other Specified Uses" annotated "Sports and Recreation Club" to "Residential (Group B) 8" (the "Rezoning Approval"). The approved maximum gross floor area is 49,300 square meter.

In accordance with HKFRS 13 "Fair Value Measurement", the Group has determined at the measurement date the highest and best use of Hilltop property would be residential development in accordance with the Rezoning Approval. This differs from its previous use. There remain further steps and approval required before the Group is able to proceed with the development.

As at 31 December 2025 and 31 December 2024, the fair value of Hilltop property was determined using open market and highest and best use basis with the use of residual approach (the "Approach"). The Approach of valuation is commonly used to value development sites by establishing the market value of the property on an "as-if" completed basis with appropriate deduction on construction costs, professional fees, marketing and legal cost, and interest payments to be incurred as well as anticipated developer's profits margin.

## 8. SEGMENT INFORMATION

The Group's reportable segments are strategic business units that offer different products and services. Business units that have similar economic characteristics are combined in a single reportable segment. They are managed separately because each business requires different operating and marketing strategies.

On 16 June 2024, the Group discontinued the resort and recreational club operations. On 30 November 2025, the Group also discontinued the retail of fashion wear and accessories operations. The Group's Senior Management no longer reviews the discrete financial information of these discontinued operations, which is included as "Profit/(Loss) for the year from discontinued operations" in the consolidated statement of profit or loss and described in more detail in note 17.

After the Group discontinued these operations, the Group has carried on a single business – the holding and trading of investments for short term and long term investment returns, and management of the Group's assets, which is the investments operations. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operation decision maker.

### Geographical information:

The Group's revenue from continuing operations by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue		Non-current assets	
	2025 HK\$'000	2024 HK\$'000 (restated)	2025 HK\$'000	2024 HK\$'000
Hong Kong	9,002	7,610	367,919	394,212
Europe	8,699	8,836	—	—
The Americas	2,138	2,254	—	—
Other Asia Pacific Region	81	99	—	—
Consolidated total	<u>19,920</u>	<u>18,799</u>	<u>367,919</u>	<u>394,212</u>

In presenting the geographical information, revenue in relation to investments segment is based on the country of primary listing for listed instruments and the country of incorporation for unlisted instruments; non-current assets exclude financial assets and are based on the locations of the assets.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 9. REVENUE

Disaggregation and analysis of revenue from sources other than contracts with customers for the year from continuing operations are as follows:

	2025 HK\$'000	2024 HK\$'000 (restated)
<i>Revenue from sources other than contracts with customer</i>		
(i) Investments		
Dividend income arising from financial assets at fair value through profit or loss:		
– Listed equity investments	167	489
– Listed fund investments	109	513
– Unlisted fund investments	7,620	8,585
Interest income from		
– Financial assets at fair value through profit or loss	3,061	2,016
– Other financial assets	8,963	7,196
	<u>19,920</u>	<u>18,799</u>
Total revenue of the Group from continuing operations		

## 10. OTHER INCOME

	2025 HK\$'000	2024 HK\$'000 (restated)
<b>Continuing operations</b>		
Rental income	954	984
Gain on dissolution of subsidiaries	429	–
Others	574	215
	<u>1,957</u>	<u>1,199</u>

## 11. FINANCE COSTS

### Continuing operations

Interest expenses on lease liabilities (note 20 and 33(a))

2025 HK\$'000	2024 HK\$'000 (restated)
60	71
<u>60</u>	<u>71</u>

## 12. INCOME TAX EXPENSE

No provision for Hong Kong profits tax and overseas income tax has been made for the year ended 31 December 2025 (2024: HK\$Nil) as the Company and its subsidiaries either did not generate any assessable profits for the year or have available tax losses brought forward from prior years to offset against any assessable profits generated during the year.

The tax rate applicable for the assessable profit arising in Hong Kong is 16.5% (2024: 16.5%).

A reconciliation between the income tax expense and the product of profit before tax multiplied by the weighted average tax rate applicable to profit/(loss) of the consolidated companies is as follows:

	2025 HK\$'000	2024 HK\$'000 (restated)
Profit before tax (from continuing operations)	<u>21,957</u>	<u>2,573</u>
Tax calculated at domestic tax rates applicable to profit/(loss) in the respective countries	3,623	425
Tax effect of income that is not taxable	(8,036)	(6,682)
Tax effect of expenses that are not deductible	1,726	2,977
Tax effect of tax losses not recognised	<u>2,687</u>	<u>3,280</u>
Income tax expense (relating to continuing operation)	<u>—</u>	<u>—</u>

The weighted average applicable tax rate is 16.5% (2024: 16.5%).

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 13. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

The Group's profit for the year from continuing operations is stated after charging/(crediting) the following:

	2025 HK\$'000	2024 HK\$'000 (restated)
Depreciation of property, plant and equipment	406	399
Depreciation of right-of-use assets	1,653	3,064
Auditor's remuneration		
– Audit services	650	679
– Non-audit services	160	250
	810	929
Direct operating expenses of investment properties that generate rental income	301	522
Gains from financial assets at fair value through profit or loss, net*:		
Fair value losses/(gains), net	(27,356)	289
Gains on disposal, net	(2,726)	(12,101)
	(30,082)	(11,812)
Fair value losses on investment properties, net	3,854	2,600
Losses on disposal of property, plant and equipment*	–	1
Rental income	(954)	(984)
Foreign exchange gains, net*	(382)	(290)
Gain on dissolution of subsidiaries	(429)	–
Gain on a lease modification*	–	(71)
	<u>                    </u>	<u>                    </u>

\* These amounts are included in "Other operating gains, net".

## 14. EMPLOYEE BENEFITS EXPENSE

	2025 HK\$'000	2024 HK\$'000 (restated)
Employee benefits expense (including directors' emoluments):		
<b>Continuing operations</b>		
Salaries, bonuses and other benefits	11,884	13,148
Directors' fees ( <i>Note 15(a)</i> )	1,923	1,894
Pension scheme contributions	242	281
	<u>                    </u>	<u>                    </u>
	<u>14,049</u>	<u>15,323</u>

## 14. EMPLOYEE BENEFITS EXPENSE (CONT'D)

### (a) Pensions - defined contribution plans

For the Group's defined contribution retirement schemes operated under the Occupational Retirement Scheme Ordinance, the forfeited contributions under the defined contribution schemes may be used by the employer to reduce the existing level of contributions. There were no forfeited contributions utilised during the years 2025 and 2024, and available as at both year end to reduce future contributions.

### (b) Five highest paid individuals

The five highest paid individuals in the Group during the year included one (2024: one) director whose emoluments is reflected in the analysis presented in note 15(a) to the consolidated financial statements. The emoluments of the remaining four (2024: four) individuals are set out below:

	2025 HK\$'000	2024 HK\$'000
Salaries, bonuses, allowances and benefits in kind	4,138	4,199
Performance related bonus	246	—
Pension scheme contributions	69	66
	<u>4,453</u>	<u>4,265</u>

The emoluments fell within the following bands:

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 14. EMPLOYEE BENEFITS EXPENSE (CONT'D)

### (c) Emoluments of senior management

The emoluments of the Senior Management, whose profiles, if applicable, are included in Biographies of Senior Management section of 2025 and 2024 annual report of the Company and included two (2024: three) of the five highest paid individuals analysis presented above, fell within the following bands:

	Number of individuals	
	2025	2024
HK\$Nil to HK\$1,000,000	—	—
HK\$1,000,001 to HK\$1,500,000	2	3
	<u>2</u>	<u>3</u>

## 15. BENEFITS AND INTERESTS OF DIRECTORS

### (a) Directors' emoluments

The remuneration of every director, including the Chief Executive Officer, is set out below:

	Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking							Total HK\$'000
	Fees HK\$'000	Salaries HK\$'000	Performance related bonuses HK\$'000	Pension scheme contributions HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000 <i>(note iv)</i>	Retirement Benefit HK\$'000	
<b>Executive director:</b>								
Mrs. Penny Soh Peng CROSBIE-WALSH	64	2,804	350	18	—	78	—	3,314
<b>Non-executive director <i>(note i)</i>:</b>								
Mr. Hung Han WONG	547	—	—	—	—	—	—	547
<b>Independent non-executive directors <i>(note i)</i>:</b>								
Mr. Kin Wing CHEUNG	464	—	—	—	—	—	—	464
Ms. Imma Kit Sum LING	424	—	—	—	—	—	—	424
Mr. Hin Fun Anthony TSANG	424	—	—	—	—	—	—	424
<b>Total for 2025</b>	<u>1,923</u>	<u>2,804</u>	<u>350</u>	<u>18</u>	<u>—</u>	<u>78</u>	<u>—</u>	<u>5,173</u>

## 15. BENEFITS AND INTERESTS OF DIRECTORS (CONT'D)

### (a) Directors' emoluments (Cont'd)

Emoluments paid or receivable in respect of a person's services as a director,  
whether of the Company or its subsidiary undertaking

	Fees HK\$'000	Salaries HK\$'000	Performance related bonuses HK\$'000	Pension scheme contributions HK\$'000	Housing allowance HK\$'000	Estimated money value of other benefits HK\$'000 <i>(note iv)</i>	Retirement Benefit HK\$'000	Total HK\$'000
<b>Executive director:</b>								
Mrs. Penny Soh Peng CROSBIE-WALSH	63	2,804	—	18	—	78	—	2,963
<b>Non-executive director <i>(note i)</i>:</b>								
Mr. Hung Han WONG	556	—	—	—	—	—	—	556
<b>Independent non-executive directors <i>(note i)</i>:</b>								
Mr. Kin Wing CHEUNG	470	—	—	—	—	—	—	470
Ms. Imma Kit Sum LING <i>(note ii)</i>	402	—	—	—	—	—	—	402
Mr. Hin Fun Anthony TSANG <i>(note ii)</i>	402	—	—	—	—	—	—	402
Mr. Kiu Sang Baldwin LEE <i>(note iii)</i>	1	—	—	—	—	—	—	1
<b>Total for 2024</b>	<b>1,894</b>	<b>2,804</b>	<b>—</b>	<b>18</b>	<b>—</b>	<b>78</b>	<b>—</b>	<b>4,794</b>

*Notes:*

- (i) In addition to the annual fee, Non-Executive Directors (including Independent Non-Executive Directors) are entitled to an attendance fee for attending each physical Board meeting or committee meeting or general meeting of the Company.
- (ii) Appointed on 19 January 2024.
- (iii) Resigned on 2 January 2024.
- (iv) Estimated money values of other benefits include cash allowances.

No share options or any other forms of share-based payments were granted to the directors during the year (2024: HK\$Nil).

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

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 15. BENEFITS AND INTERESTS OF DIRECTORS (CONT'D)

### (b) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## 16. EARNINGS/(LOSS) PER SHARE

### (a) Basic earnings/(loss) per share

#### (i) From continuing and discontinued operations

The calculation of basic earnings/(loss) per share is based on the profit for the year attributable to owners of the Company of HK\$24,284,000 (2024: loss of HK\$7,904,000) and the weighted average number of ordinary shares of 1,650,658,676 (2024: 1,650,658,676) in issue during the year.

#### (ii) From continuing operations

The calculation of basic earnings per share from continuing operations is based on the profit for the year from continuing operations attributable to owners of the Company of HK\$21,957,000 (2024: profit of HK\$2,574,000 (restated)) and the weighted average number of ordinary shares of 1,650,658,676 (2024: 1,650,658,676) in issue during the year.

#### (iii) From discontinued operations

The calculation of basic earnings/(loss) per share from discontinued operations is based on the profit for the year from discontinued operations attributable to owners of the Company of HK\$2,327,000 (2024: loss of HK\$10,478,000 (restated)) and the weighted average number of ordinary shares of 1,650,658,676 (2024: 1,650,658,676) in issue during the year.

### (b) Diluted earnings/(loss) per share

No diluted earnings/(loss) per share from continuing and discontinued operations are presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 December 2025 and 2024.

## 17. DISCONTINUED OPERATIONS

### (a) Discontinuation of Fashion Retail Business

The Group has been engaged in the retail of luxury fashion wear and accessories (collectively the “Fashion Retail Business”) through its subsidiary, The Swank Shop Limited (“SWANK”), for numerous years. SWANK has faced increasing operating challenges in the prevailing Hong Kong economic environment of weak tourist spending in luxury fashion and market rental. Due to the lack of foreseeable ability for the Fashion Retail Business to deliver a sustained profit to the Group, the Board resolved on 23 October 2025 to discontinue the Fashion Retail Business on or around 30 November 2025 to preserve shareholders’ value. The retail of fashion wear and accessories segment is thus classified as a discontinued operation in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”, and is no longer included in note 8 for operating segment information. Further details of the above were set out in the Company’s announcement dated 23 October 2025.

	2025 HK\$'000	2024 HK\$'000
<b>Profit/(Loss) for the year from discontinued operations:</b>		
Revenue - Contracts with customers	13,045	55,964
Cost of inventories sold #	(493)	(24,669)
Other income	4	58
Selling and distribution costs	(6,190)	(22,813)
Administrative expenses	(4,371)	(12,085)
Depreciation of property, plant and equipment and impairment loss	—	(974)
Other operating gains, net	362	619
Profit/(Loss) from operations	2,357	(3,900)
Finance costs	(30)	(498)
Profit/(Loss) before tax from discontinued operations	2,327	(4,398)
Income tax expense	—	—
<b>Profit/(Loss) for the year from discontinued operations (attributable to owners of the Company)</b>	<b>2,327</b>	<b>(4,398)</b>

# Cost of inventories sold included write-back of inventories allowances of HK\$10,048,000 (2024: HK\$6,273,000).

	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from discontinued operations:</b>		
Net cash inflows from operating activities	2,429	10,107
Net cash outflows from investing activities	—	(203)
Net cash outflows from financing activities	(1,079)	(12,945)
Net cash inflows/(outflows)	1,350	(3,041)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 17. DISCONTINUED OPERATIONS (CONT'D)

### (b) Discontinuation of the Hill Top Country Club operation

Hill Top Country Club (the "Club") had been loss making for numerous years. The Board believed that it is in the best interest of the Company and its shareholders to cease the Club operation and resolved on 26 March 2024 to close the Club effective from 16 June 2024. The resort and recreational club segment was thus classified as a discontinued operation in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", and was no longer included in note 8 for operating segment information. Further details of the above were set out in the Company's announcement dated 26 March 2024.

	2025 HK\$'000	2024 HK\$'000
<b>Loss for the year from discontinued operations:</b>		
Revenue - Contracts with customers	—	5,304
Cost of inventories sold #	—	(1,128)
Other income	—	232
Selling and administrative expenses	—	(10,810)
Depreciation of property, plant and equipment	—	(3)
Other operating gains, net	—	325
	<hr/>	<hr/>
Loss before tax from discontinued operations	—	(6,080)
Income tax expense	—	—
	<hr/>	<hr/>
<b>Loss for the year from discontinued operations (attributable to owners of the Company)</b>	<b>—</b>	<b>(6,080)</b>

# Cost of inventories sold included write-back of inventories allowances of HK\$51,000.

	2025 HK\$'000	2024 HK\$'000
<b>Cash flows from discontinued operations:</b>		
Net cash outflows from operating activities	—	(9,642)
Net cash inflows from financing activities	—	321
	<hr/>	<hr/>
Net cash outflows	—	(9,321)

## 18. DIVIDENDS

The Directors do not recommend the payment of any dividend to shareholders for the years ended 31 December 2025 and 2024.

## 19. PROPERTY, PLANT AND EQUIPMENT

	Hilltop property HK\$'000	Leasehold improvements HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Total HK\$'000
<b>Cost or valuation:</b>					
At 1 January 2024	370,000	20,944	28,302	1,085	420,331
Additions	5,713	673	305	—	6,691
Disposals	—	(13,578)	(4,827)	(1,085)	(19,490)
Loss on revaluation	(35,713)	—	—	—	(35,713)
At 31 December 2024 and 1 January 2025	<b>340,000</b>	<b>8,039</b>	<b>23,780</b>	<b>—</b>	<b>371,819</b>
Additions	1,893	—	9	—	1,902
Disposals	—	(1,218)	(2,463)	—	(3,681)
Loss on revaluation	(21,893)	—	—	—	(21,893)
<b>At 31 December 2025</b>	<b>320,000</b>	<b>6,821</b>	<b>21,326</b>	<b>—</b>	<b>348,147</b>
<b>Accumulated depreciation and impairment:</b>					
At 1 January 2024	—	20,698	27,488	1,085	49,271
Depreciation provided during the year	—	420	325	—	745
Disposals	—	(13,578)	(4,826)	(1,085)	(19,489)
Impairment loss	—	89	542	—	631
At 31 December 2024 and 1 January 2025	<b>—</b>	<b>7,629</b>	<b>23,529</b>	<b>—</b>	<b>31,158</b>
Depreciation provided during the year	—	246	160	—	406
Disposals	—	(1,218)	(2,463)	—	(3,681)
Impairment loss	—	—	—	—	—
<b>At 31 December 2025</b>	<b>—</b>	<b>6,657</b>	<b>21,226</b>	<b>—</b>	<b>27,883</b>
<b>Net carrying amount:</b>					
<b>At 31 December 2025</b>	<b>320,000</b>	<b>164</b>	<b>100</b>	<b>—</b>	<b>320,264</b>
At 31 December 2024	340,000	410	251	—	340,661

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 19. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

At 31 December 2025 and 31 December 2024, the Group's Hilltop property was revalued by an independent professional qualified valuer, Knight Frank Petty Limited. Senior Management reviews the fair value measurements twice a year, which is in line with the Group's reporting dates. The Directors of the Company also exercise their judgement on the valuation method of Hilltop property.

The valuation technique adopted was on an open market and highest and best use basis with the use of residual method. The property is situated on a piece of land ("the Land") designated for "Other Specified Uses" annotated "Sports and Recreation Club" and is currently held for future development.

With reference to the announcement made by the Company on 19 January 2018, 1 September 2020 and 18 September 2020, the Company has obtained approval for the zoning plan amendment application (the "Rezoning Application") under Section 12A of the Town Planning Ordinance (Chapter 131, Laws of Hong Kong) to the Town Planning Board to rezone the Land from "Other Specified Uses" annotated "Sports and Recreation Club" to "Residential (Group B) 6".

With reference to the announcement made by the Company on 26 February 2021, the Town Planning Board gazetted the Amendments to the approved Tsuen Wan Outline Zoning Plan No. S/TW/33, which included the Company's Rezoning Application.

With reference to the announcement made by the Company on 18 February 2022, the Chief Executive in Council on 8 February 2022 approved the Company's Rezoning Application to rezone the Land from "Other Specified Uses" annotated "Sports and Recreation Club" to "Residential (Group B) 8". There remain further steps required by the Company, including the application for exchange of Land Grant and the assessment of the change of land use premium, before the Land can be used for residential development.

If the Hilltop property held for development was stated by the Group under the cost model, the carrying amounts would be as follows:

	2025 HK\$'000	2024 HK\$'000
Cost	64,755	62,862
Accumulated depreciation	(35,708)	(34,356)
	<u>29,047</u>	<u>28,506</u>

## 20. RIGHT-OF-USE ASSETS

	Leased properties HK\$'000
At 1 January 2024	8,746
Additions	5,839
Depreciation	(10,712)
Derecognition on lease modification	(522)
At 31 December 2024 and 1 January 2025	<b>3,351</b>
Additions	<b>130</b>
Depreciation	<b>(2,426)</b>
<b>At 31 December 2025</b>	<b>1,055</b>

Lease liabilities of HK\$835,000 (2024: HK\$3,158,000) are recognised with related right-of-use assets of HK\$742,000 (2024: HK\$2,678,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

	2025 HK\$'000	2024 HK\$'000 (restated)
An analysis of expenses items in relation to leases recognised in profit or loss is as follows:		
– From continuing operations:		
Depreciation expenses on right-of-use assets	1,653	3,064
Interest expense on lease liabilities (included in finance cost)	60	71
– From discontinued operations:		
Depreciation expenses on right-of-use assets	773	7,648
Interest expense on lease liabilities (included in finance cost)	30	348
Expenses relating to short-term lease (included in selling and distribution cost)	1,191	633
Expenses relating to variable lease payments not included in the measurement of lease liability (included in selling and distribution cost)	479	892

Details of total cash outflows for leases is set out in note 33(b).

During both financial years, the Group leases office premises and retail stores for its continued and discontinued operations. Lease agreements are typically entered into for fixed term of one to three years. Leases are negotiated on an individual basis and contain a wide range of different terms and conditions. In determining the lease term and assessing the length of the non-cancellable period, the Group applies the definition of a contract and determines the period for which the contract is enforceable.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 20. RIGHT-OF-USE ASSETS (CONT'D)

The Group leased a number of retail stores for its discontinued fashion retail operations which contain variable lease payment terms that are based on sales generated from the retail stores and minimum annual lease payment terms that are fixed. These payment terms are common in retail stores in Hong Kong where the Group operates. The amount of fixed and variable lease payments for the year is summarised below:

	2025		
	Fixed payments HK\$'000	Variable payments HK\$'000	Total payments HK\$'000
Retails stores - Hong Kong	<u>2,254</u>	<u>479</u>	<u>2,733</u>
		2024	
	Fixed payments HK\$'000	Variable payments HK\$'000	Total payments HK\$'000
Retails stores - Hong Kong	<u>7,716</u>	<u>892</u>	<u>8,608</u>

### 21. INVESTMENT PROPERTIES

	2025 HK\$'000	2024 HK\$'000
At 1 January	50,200	52,800
Additions	254	—
Fair value losses	<u>(3,854)</u>	<u>(2,600)</u>
At 31 December	<u>46,600</u>	<u>50,200</u>

At 31 December 2025, the Group's investment properties comprised of units in an industrial building situated in Hong Kong of HK\$46,600,000 (2024: HK\$50,200,000). The Group's industrial property units are held to earn rental income, under medium term leases, and for capital appreciation.

The Group's investment properties were revalued at 31 December 2025 and 31 December 2024 by an independent professional qualified valuer, Knight Frank Petty Limited based on a direct comparison method.

Additional details of the Group's investment properties are included on page 146.

## 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 HK\$'000	2024 HK\$'000
Financial assets at fair value through profit or loss:		
Equity investments, at fair value ( <i>note a</i> ):		
– Listed in Hong Kong	–	–
– Listed outside Hong Kong	15,790	–
	<b>15,790</b>	–
Fund investments, at fair value:		
– Listed outside Hong Kong ( <i>note b</i> )	9,100	7,303
– Unlisted ( <i>note b and note c</i> )	370,356	338,594
	<b>379,456</b>	345,897
Debt investments, at fair value ( <i>note d</i> ):		
– Listed in Hong Kong*	1,416	1,344
– Listed outside Hong Kong*	67,340	40,185
– Unlisted	3,380	1,345
	<b>72,136</b>	42,874
	<b>467,382</b>	388,771

\* Listed as selectively marketed securities on The Stock Exchange of Hong Kong Limited and other overseas stock exchanges.

The carrying amounts of the above financial assets are mandatorily measured at fair value through profit or loss in accordance with HKFRS 9.

	2025 HK\$'000	2024 HK\$'000
Current assets - Financial assets at fair value through profit or loss		
– Listed equity investments ( <i>note a</i> )	15,790	–
– Listed fund investments ( <i>note b</i> )	9,100	7,303
– Unlisted fund investments ( <i>note b</i> )	317,774	295,184
– Listed debt investments ( <i>note d</i> )	68,756	41,529
– Unlisted debt investments ( <i>note d</i> )	3,380	1,345
	<b>414,800</b>	345,361
Non-current assets - Financial assets at fair value through profit or loss		
– Unlisted fund investments ( <i>note c</i> )	52,582	43,410
	<b>467,382</b>	388,771

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

Notes:

- (a) The fair values of the listed equity investments are based on quoted market prices and the Group managed and evaluated the performance of these listed equity investments on a fair value basis, in accordance with the Group's risk management and investment strategy. These listed investments offer the Group the opportunity for return through dividend income and fair value gains.
- (b) The fund investments as at 31 December 2025 amounted to HK\$326,874,000 (2024: HK\$302,487,000) which were listed in overseas exchanges or traded over-the-counter and the Group managed and evaluated the performance of these fund investments on a fair value basis, in accordance with the Group's risk management and investment strategy. The fair values of the fund investments are based on quoted market price or the price quoted by the fund administrator/financial institution. The Directors believe that the estimated fair value quoted by the fund administrator/financial institution is reasonable, and that it is the most appropriate value at the end of the reporting period.

(c) Unlisted fund investments, at fair value

(i) ASEAN China Investment Fund III L.P.

As at 31 December 2025, carrying amount of unlisted fund investments included an investment in a fund, ASEAN China Investment Fund III L.P. ("ACIF III"), amounted to HK\$19,280,000 (2024: HK\$16,113,000) which is not quoted in an active market. The fair value of the investment in ACIF III is stated with reference to the net asset value provided by the administrator of the fund at the reporting date. The Directors believe that the estimated fair value provided by the administrator of the fund is reasonable, and that is the most appropriate value at the end of the reporting period.

The Group has committed to contribute a total of US\$4,000,000 (equivalent to approximately HK\$31,120,000) to ACIF III and the unfunded commitment as at 31 December 2025 amounted to US\$35,000 (equivalent to approximately HK\$276,000) (2024: US\$61,000 (equivalent to approximately HK\$474,000)). Contributions will be made when capital call is issued by the general partner of the fund.

The carrying amount of the investment in ACIF III is denominated in US dollar.

(ii) ASEAN China Investment Fund IV L.P.

As at 31 December 2025, the carrying amount of unlisted fund investments included an investment in a fund, ASEAN China Investment Fund IV L.P. ("ACIF IV"), amounted to HK\$33,302,000 (2024: HK\$27,297,000) which is not quoted in an active market. The fair value of the investment in ACIF IV is stated with reference to the net asset value provided by the administrator of the fund at the reporting date. The Directors believe that the estimated fair value provided by the administrator of the fund is reasonable, and that is the most appropriate value at the end of the reporting period.

The Group has committed to contribute a total of US\$4,000,000 (equivalent to approximately HK\$31,120,000) to ACIF IV and the unfunded commitments as at 31 December 2025 amounted to US\$3,000 (equivalent to approximately HK\$21,000) (2024: US\$125,000 (equivalent to HK\$972,000)). Contributions will be made when capital call is issued by the general partner of the fund.

The carrying amount of the investment in ACIF IV is denominated in US dollar.

(d) The fair values of the debt investments as at 31 December 2025 amounted to HK\$72,136,000 (2024: HK\$42,874,000) are based on quoted market price or the price quoted by issuer/financial institution. These debt investments were mainly issued/guaranteed by companies listed on The Stock Exchange of Hong Kong Limited/overseas stock exchanges. The Directors believe that the estimated fair value quoted by the issuer/financial institution is reasonable, and that it is most appropriate value at the end of the reporting period.

As at 31 December 2025, these debt investments have maturity date ranging from 9 January 2026 to 8 February 2054 (2024: 1 April 2025 to 8 February 2054).

As at 31 December 2025, these debt instruments bear fixed/floating coupon interest rate ranging from 2.2% to 6.45% (2024: 2.2% to 6.45%). The carrying amounts of the Group's debt investments measured at FVPL are mainly denominated in US dollars.

## 23. INVENTORIES

As at 31 December 2024, all of the Group's inventories represented finished goods.

## 24. TRADE AND OTHER RECEIVABLES

	2025 HK\$'000	2024 HK\$'000
Trade receivables	—	231
Less: Impairment of trade receivables	—	—
	<hr/>	<hr/>
	—	231
Rental and other deposits	2,565	2,618
Prepayments and other receivables	5,851	4,848
	<hr/>	<hr/>
	<b>8,416</b>	<b>7,697</b>
	<hr/> <hr/>	<hr/> <hr/>

The Group maintains a defined credit policy for its trade customers and the credit terms given vary according to the business activities. The financial strength of and the length of business relationship with the customers, on an individual basis, are considered in arriving at the respective credit terms. Overdue balances are reviewed regularly by Senior Management.

An ageing analysis of the trade receivables, based on the invoice date and net of impairment, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	—	231
	<hr/> <hr/>	<hr/> <hr/>

The carrying amounts of the Group's trade receivables are denominated in Hong Kong dollars.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

### 25. PLEDGED BANK DEPOSITS/TIME DEPOSITS/CASH AND BANK BALANCES

As at 31 December 2024, the Group's pledged deposits to banks were for the purpose of securing banking facilities for the Group.

Pledged bank deposits, time deposits and cash and bank balances are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollars	6,177	27,718
US dollars	183,461	218,473
Others	2,723	273
	<u>192,361</u>	<u>246,464</u>

### 26. TRADE AND OTHER PAYABLES

	2025 HK\$'000	2024 HK\$'000
Trade payables ( <i>note a</i> )	—	53
Accruals for operations	1,051	2,563
Accruals and provision for staff costs	3,052	4,547
Contract liabilities ( <i>note b</i> )	—	76
Deposits received	226	236
Other payables	3,827	1,616
Provisions	1,136	1,561
	<u>9,292</u>	<u>10,652</u>

## 26. TRADE AND OTHER PAYABLES (CONT'D)

(a) An ageing analysis of the Group's trade payables, based on the invoice date, is as follows:

	2025 HK\$'000	2024 HK\$'000
Within 1 month	—	18
2 to 3 months	—	—
Over 3 months	—	35
	<u>—</u>	<u>53</u>
	<u>—</u>	<u>53</u>

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2025 HK\$'000	2024 HK\$'000
Hong Kong dollars	—	—
Euro	—	49
Others	—	4
	<u>—</u>	<u>53</u>
Total	<u>—</u>	<u>53</u>

(b) Contract liabilities represent the consideration received in advance from customers, and customer loyalty programme. The amounts of consideration received in advance from customers and customer loyalty programme are expected to be recognised as income within one year. The following table shows the revenue recognised during the year related to carried forward contract liabilities:

	2025 HK\$'000	2024 HK\$'000
Retail of fashion wear and accessories	1	359
Resort and recreational club operations	—	1,042
	<u>1</u>	<u>1,401</u>
Total revenue from discontinued operations recognised related to carried forward contract liabilities	<u>1</u>	<u>1,401</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 27. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2025 HK\$'000	2024 HK\$'000	2025 HK\$'000	2024 HK\$'000
Within one year	845	2,413	835	2,323
In the second to fifth years, inclusive	—	845	—	835
	<u>845</u>	<u>3,258</u>	<u>835</u>	<u>3,158</u>
Less: Future finance charges	(10)	(100)	N/A	N/A
Present value of lease obligations	<u>835</u>	<u>3,158</u>	<u>835</u>	<u>3,158</u>
Less: Amount due for settlement within 12 months (shown under current liabilities)			(835)	(2,323)
Amount due for settlement after 12 months			<u>—</u>	<u>835</u>

All lease liabilities are denominated in Hong Kong dollars.

## 28. DEFERRED TAX

The following are deferred tax liabilities and assets recognised by the Group:

	Depreciation allowance in excess of related depreciation HK\$'000	Fair value gains from financial assets at fair value through profit or loss HK\$'000	Right-of-use-assets HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Total HK\$'000
At 1 January 2024	5,912	—	—	(5,912)	—
Deferred tax charged/(credited) to the profit or loss for the year	44	1,041	111	(1,196)	—
At 31 December 2024 and at 1 January 2025	<u>5,956</u>	<u>1,041</u>	<u>111</u>	<u>(7,108)</u>	<u>—</u>
Deferred tax charged/(credited) to the profit or loss for the year	(398)	2,657	(59)	(2,200)	—
<b>At 31 December 2025</b>	<u>5,558</u>	<u>3,698</u>	<u>52</u>	<u>(9,308)</u>	<u>—</u>

At the end of the reporting period, the Group has unused tax losses of HK\$1,014,229,000 (2024: HK\$996,890,000) available to offset against future profits. A deferred tax asset has been recognised in respect of HK\$56,408,000 (2024: HK\$43,079,000) of such losses. No deferred tax asset has been recognised in respect of the remaining unused tax losses of HK\$957,821,000 (2024: HK\$953,811,000) due to the unpredictability of future profit streams. Unrecognised tax losses may be carried forward indefinitely.

## 29. SHARE CAPITAL

	2025 HK\$'000	2024 HK\$'000
Issued and fully paid:		
1,650,658,676 (2024: 1,650,658,676) ordinary shares	<b>1,206,706</b>	1,206,706

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements except for (i) the requirement to maintain a public float of at least 25% of the shares under the Listing Rules; and (ii) to meet financial covenants attached to the interest-bearing borrowings.

The Company demonstrates continuing compliance of the public float of at least 25% of the shares throughout the year.

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing for the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is the total borrowings and lease liabilities divided by the total equity attributable to equity holders of the Company. The Group's policy is to maintain an appropriate level of debt and a gearing ratio. The total borrowings include interest-bearing bank borrowings. The gearing ratio as at the end of the reporting period was as follows:

	2025 HK\$'000	2024 HK\$'000
Interest-bearing bank borrowings	—	—
Lease liabilities	<b>835</b>	3,158
Total borrowings and lease liabilities	<b>835</b>	3,158
Equity attributable to owners of the Company	<b>1,025,951</b>	1,024,747
Gearing ratio	<b>0.1%</b>	0.3%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 31 December 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### (a) Statement of financial position of the Company

	Note	At 31 December	
		2025 HK\$'000	2024 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment		264	661
Investment properties		366,600	390,200
Right-of-use assets		1,055	2,648
Interests in subsidiaries		478,608	497,151
Total non-current assets		846,527	890,660
<b>Current assets</b>			
Prepayments, deposits and other receivables		4,423	1,928
Due from a subsidiary		12	51
Financial assets at fair value through profit or loss		97,847	50,287
Pledged bank deposits		—	10,000
Time deposits		84,217	75,281
Cash and bank balances		2,498	4,093
Total current assets		188,997	141,640
<b>Current liabilities</b>			
Accruals and other payables		8,738	6,132
Lease liabilities		835	1,344
Total current liabilities		9,573	7,476
<b>Net current assets</b>		<b>179,424</b>	<b>134,164</b>
<b>Non-current liabilities</b>			
Lease liabilities		—	835
<b>NET ASSETS</b>		<b>1,025,951</b>	<b>1,023,989</b>
<b>Capital and reserves</b>			
Issued capital		1,206,706	1,206,706
Accumulated losses		(989,577)	(991,539)
Other reserves	30(b)	808,822	808,822
<b>TOTAL EQUITY</b>		<b>1,025,951</b>	<b>1,023,989</b>

Approved by the Board of Directors on 27 March 2026 and are signed on its behalf by:

**Hung Han WONG**

*Non-executive Director and Non-executive Chairman*

**Penny Soh Peng CROSBIE-WALSH**

*Executive Director and Chief Executive Officer*

## 30. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (CONT'D)

### (b) Reserve movement of the Company

	Special reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
At 1 January 2024	808,822	(950,052)	(141,230)
Loss for the year	—	(41,487)	(41,487)
At 31 December 2024 and 1 January 2025	<b>808,822</b>	<b>(991,539)</b>	<b>(182,717)</b>
Profit for the year	—	<b>1,962</b>	<b>1,962</b>
<b>At 31 December 2025</b>	<b>808,822</b>	<b>(989,577)</b>	<b>(180,755)</b>

## 31. RESERVES

### (a) The Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity on pages 81 and 84 of the consolidated financial statements respectively.

### (b) Nature and purpose of reserves

#### (i) *Special reserve*

This reserve arose as a result of the Company's reorganisation in 2002 in the application of the predecessor Hong Kong Companies Ordinance (Cap.32). A capital reorganisation scheme was approved by the shareholders at an extraordinary general meeting on 11 July 2002 and was subsequently confirmed by the sanction of an order of the High Court of Hong Kong dated 6 August 2002. Details of the capital reorganisation scheme are as follows:

- (1) the authorised share capital of the Company was reduced from HK\$1,000,000,000 (divided into 2,000,000,000 ordinary shares of HK\$0.50 each) to HK\$20,000,000 (divided into 2,000,000,000 ordinary shares of HK\$0.01 each). Such reduction was effected by cancelling the paid-up capital per share by HK\$0.49 on each of the 1,650,658,676 ordinary shares in issue on 6 August 2002, being the date on which the court petition was heard, and by reducing the nominal value of all the issued and unissued ordinary shares of the Company from HK\$0.50 to HK\$0.01 per ordinary share; and

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 31. RESERVES (CONT'D)

### (b) Nature and purpose of reserves (Cont'd)

#### (i) Special reserve (Cont'd)

(2) upon such reduction of capital taking effect:

- (i) the authorised share capital of the Company was increased to its former amount of HK\$1,000,000,000 by the creation of additional 98,000,000,000 ordinary shares of HK\$0.01 each; and
- (ii) a special reserve was created and credited with an amount equal to the credit arising from the said reduction of capital as detailed in (1) above, which amounted to HK\$808,822,751. Such reserve shall not be treated as realised profit and shall, for as long as the Company shall remain a listed company, be treated as an undistributable reserve. However, the special reserve may be reduced by the aggregate of any increase in the issued capital or in the share premium account of the Company resulting from an issue of shares for cash or other new consideration or upon a capitalisation of distributable reserves.

#### (ii) Exchange fluctuation reserve

This reserve comprises of foreign exchange differences arising from the translation of the financial statements of foreign operations.

#### (iii) Property revaluation reserve

This reserve has been set up and is dealt with in accordance with the accounting policies adopted for the Hilltop property in note 4(e) to the consolidated financial statements.

## 32. SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2025 are as follows:

Name	Place of incorporation/ registration and operation	Issued ordinary share	Percentage of ownership attributable to the Company		Principal activities
			Direct	Indirect	
ENM Wealth Management Limited	British Virgin Islands/ Hong Kong	US\$1	100	—	Investment holding and securities trading
The Swank Shop Limited* ("SWANK")	Hong Kong	HK\$104,500,000	—	100	Retail of fashion wear and accessories

\* SWANK discontinued the fashion retail business in November 2025.

The above list contains the particulars of the subsidiaries which principally affected the results, assets or liabilities of the Group.

### 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) Reconciliation of liabilities arising from financing activities

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

	Interest bearing bank borrowings HK\$'000	Lease liabilities HK\$'000 <i>(note 27)</i>	Total HK\$'000
<b>As at 1 January 2025</b>	—	3,158	3,158
<b>Changes from financing cash flows:</b>			
Capital elements of lease rentals paid	—	(2,393)	(2,393)
Interest elements of lease rentals paid	—	(90)	(90)
	<u>—</u>	<u>(2,483)</u>	<u>(2,483)</u>
<b>Other changes:</b>			
Finance costs from continuing operations	—	60	60
Finance costs from discontinued operations	—	30	30
Addition to lease liabilities	—	70	70
	<u>—</u>	<u>160</u>	<u>160</u>
<b>As at 31 December 2025</b>	<u>—</u>	<u>835</u>	<u>835</u>
<b>As at 1 January 2024</b>	5,079	8,396	13,475
<b>Changes from financing cash flows:</b>			
New bank loans raised	11,724	—	11,724
Repayment of bank loans	(16,803)	—	(16,803)
Interest paid	(150)	—	(150)
Capital elements of lease rentals paid	—	(9,547)	(9,547)
Interest elements of lease rentals paid	—	(419)	(419)
	<u>(5,229)</u>	<u>(9,966)</u>	<u>(15,195)</u>
<b>Other changes:</b>			
Finance costs from continuing operations (restated)	—	71	71
Finance costs from discontinued operations (restated)	150	348	498
Addition to lease liabilities	—	4,902	4,902
Derecognition on lease modification	—	(593)	(593)
	<u>150</u>	<u>4,728</u>	<u>4,878</u>
<b>As at 31 December 2024</b>	<u>—</u>	<u>3,158</u>	<u>3,158</u>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

### (b) Total cash outflows for lease

Amounts included in the cash flow statements for leases comprise the following:

	2025 HK\$'000	2024 HK\$'000
Within operating cash flows	1,670	1,525
Within financing cash flows	2,483	9,966
	<u>4,153</u>	<u>11,491</u>

These amounts relate to the following:

	2025 HK\$'000	2024 HK\$'000
Lease rentals paid	<u>4,153</u>	<u>11,491</u>

## 34. OPERATING LEASE ARRANGEMENTS

### As lessor

The Group leases out investment properties under operating lease arrangements. The leases for investment properties are typically negotiated for terms ranging from one to two years.

At 31 December 2025, the undiscounted lease payments receivable by the Group in future period under non-cancellable operating lease are as follow:

	2025 HK\$'000	2024 HK\$'000
Within one year	<u>231</u>	<u>246</u>

### 35. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2025 HK\$'000	2024 HK\$'000
Contracted, but not provided for:		
– Capital contribution in respect of unlisted fund investments ( <i>note 22(c)(i) and (ii)</i> )	<u>297</u>	<u>1,446</u>

### 36. RELATED/CONNECTED PARTY TRANSACTIONS

(a) In addition to the transactions and balances detailed elsewhere in these consolidated financial statements, the Group had the following material transactions with related parties during the year:

	Note	2025 HK\$'000	2024 HK\$'000
Lease expenses for lease liabilities, building management fees and air-conditioning charges paid to related companies – previous office premises	(i)	–	2,369
Non-refundable forbearance fee paid to related companies in lieu of carrying out the reinstatement work	(i)	–	1,182
Lease expenses for lease liabilities, building management fees and air-conditioning charges paid to related companies – new office premises	(ii)	1,763	717
Advisory fees for Hilltop property	(iii)	<u>212</u>	<u>515</u>

*Notes:*

- (i) The lease expenses for lease liabilities, building management fees, air-conditioning charges and non-refundable forbearance fee paid to related companies controlled by substantial shareholders of the Company were charged in accordance with the terms of the relevant tenancy agreement and surrender agreement entered in November 2021 and September 2024 respectively.
- (ii) The lease expenses for lease liabilities, building management fees and air-conditioning charges paid to related companies controlled by substantial shareholders of the Company were charged in accordance with the terms of the tenancy agreement entered in October 2024.
- (iii) The advisory fees paid or payable to a related company controlled by substantial shareholders of the Company were charged in accordance with the terms of the service agreements entered in November 2023 and November 2024.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

## 36. RELATED/CONNECTED PARTY TRANSACTIONS (CONT'D)

(b) Lease arrangement:

On 30 November 2021, the Group entered into a tenancy agreement (“the Tenancy Agreement”) with the related companies controlled by substantial shareholders of the Company (“the Landlords”) to renew the lease of office premises for three years from 1 December 2021 to 30 November 2024 at a monthly effective rental of HK\$210,096 exclusive of government rates, building management fee and air-conditioning charges. The Group recognised a right-of-use asset of HK\$7,908,000, which is the present value of the rental payment and estimated reinstatement cost and a lease liability of HK\$7,238,000 due to related parties in accordance to HKFRS 16.

On 6 September 2024, the Group entered into a surrender agreement (“the Surrender Agreement”) with the Landlords, pursuant to which the Company shall surrender and deliver the premises under the Tenancy Agreement to the Landlords in its “as is” condition with effect from 12 September 2024 (“the Date of Surrender”) by paying the Landlords a non-refundable forbearance fee of HK\$1,182,000 in lieu of carrying out the reinstatement work as stipulated in the Tenancy Agreement. After the completion of the Surrender Agreement, both parties shall release each other from all liabilities and obligations arising from or under the Tenancy Agreement. The Group derecognised the right-of-use asset and lease liabilities in respect of the Tenancy Agreement as of the Date of Surrender and recognised a gain of HK\$71,000 on lease modification.

On 2 October 2024, the Group entered into a new tenancy agreement (“the New Tenancy Agreement”) with the related companies controlled by substantial shareholders of the Company for the lease of new office premises for two years from 8 August 2024 to 7 August 2026 at a monthly effective rental of HK\$107,246 exclusive of government rates, building management fee and air-conditioning charges. The Group recognised a right-of-use asset of HK\$3,305,000, which is the present value of the rental payment and estimated reinstatement cost and a lease liability of HK\$2,465,000 due to related parties in accordance to HKFRS 16.

As at 31 December 2025, the lease liabilities due to related companies of HK\$835,000 (2024: HK\$2,179,000) under the New Tenancy Agreement arising from the leasing arrangements with the related companies are included in “Lease liabilities” (note 27).

(c) Compensation of key management personnel (including directors) of the Group:

	2025 HK\$'000	2024 HK\$'000
Short term employee benefits	7,646	7,491
Pension scheme contributions	54	57
Total compensation paid to key management personnel	<u>7,700</u>	<u>7,548</u>

Further details of employees’ and directors’ emoluments are included in note 14 and note 15 respectively to the consolidated financial statements.

## 36. RELATED/CONNECTED PARTY TRANSACTIONS (CONT'D)

(d) Applicability of the Listing Rules relating to connected transactions

As disclosed in note 36(b) to the consolidated financial statements, the related party transactions in respect of the recognition of a right-of-use asset and lease liabilities for the fixed lease payments under the Tenancy Agreement entered in November 2021 is regarded as an acquisition of capital asset and constitutes a one-off connected transaction of the Company as defined in Chapter 14A of the Listing Rules, further details of which are included in the Report of Director on page 8 of 2021 Annual Report. The derecognition of right-of-use assets under the Surrender Agreement entered in September 2024 is regarded as disposal of assets and constitutes a one-off connected transaction of the Company as defined in Chapter 14A of the Listing Rules, further details of which are included in the Report of Director on page 7 of 2024 annual Report.

As disclosed in note 36(b) to the consolidated financial statements, the related party transactions in respect of the recognition of a right-of-use asset and lease liabilities for the fixed lease payments under the New Tenancy Agreement entered in October 2024 is regarded as an acquisition of capital asset and constitutes a one-off connected transaction of the Company as defined in Chapter 14A of the Listing Rules but is considered as a de minimis transaction and is fully exempt from the disclosure requirements.

As disclosed in note 36(a) to the consolidated financial statements, the related party transactions in respect of building management fee and air-conditioning charges for office paid to related companies for the years ended 31 December 2025 and 2024 under both the Tenancy Agreements entered in November 2021 and October 2024 constitute continuing connected transactions of the Company as defined in Chapter 14A but are considered as a de minimis transactions and are fully exempt from the disclosure requirements.

As disclosed in note 36(a) to the consolidated financial statements, the related party transactions in respect of advisory fees for Hilltop property paid or payable to a related company for the years ended 31 December 2025 and 2024 constitute continuing connected transactions of the Company as defined in Chapter 14A but are considered as de minimis transactions and are fully exempt from the disclosure requirements.

## 37. COMPARATIVE AMOUNTS

The comparative amounts in the consolidated statement of profit or loss have been re-presented as if the retail of fashion wear and accessories segment discontinued during the current year had been discontinued and reallocated at the beginning of the comparative year (note 17) and certain comparative segment information related to the retail of fashion wear and accessories segment is classified as "Profit/(Loss) for the year from discontinued operations" in the consolidated statement of profit or loss.

# PARTICULARS OF PROPERTIES

31 December 2025

## HILLTOP PROPERTY

Location	Existing Use	Approximate site area	Attributable interest of the Group
10 Hilltop Road Lo Wai, Tsuen Wan New Territories Hong Kong	Vacant	430,818 sq ft	100%

Note: The Company is currently engaged in the process of land exchange application, the details of which are disclosed in note 19 to the consolidated financial statements.

## INDUSTRIAL PROPERTY HELD FOR INVESTMENT PURPOSE

Location	Existing Use	Tenure	Attributable interest of the Group
Fourth and Fifth Floors, Roof and Parking Spaces Nos. 3 and 5 Wai Hing Factory Building 37-41 Lam Tin Street Kwai Chung, New Territories Hong Kong	Industrial premises for rental	Medium term lease	100%

## 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, extracted from the published audited financial statements and restated/reclassified where appropriate, is set out below.

### RESULTS

	Year ended 31 December				
	2025 HK\$'000	2024 HK\$'000 (restated)	2023 HK\$'000 (restated)	2022 HK\$'000 (restated)	2021 HK\$'000 (restated)
<b>CONTINUING OPERATIONS</b>					
<b>REVENUE</b>	<b>19,920</b>	<b>18,799</b>	<b>21,164</b>	<b>14,907</b>	<b>24,456</b>
<b>PROFIT/(LOSS) FROM OPERATING ACTIVITIES</b>	<b>22,017</b>	<b>2,644</b>	<b>3,422</b>	<b>(120,125)</b>	<b>13,592</b>
Finance costs	(60)	(71)	(103)	(170)	(45)
<b>PROFIT/(Loss) BEFORE TAX</b>	<b>21,957</b>	<b>2,573</b>	<b>3,319</b>	<b>(120,295)</b>	<b>13,547</b>
Income tax expenses	—	—	—	—	—
<b>PROFIT/(LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS</b>	<b>21,957</b>	<b>2,573</b>	<b>3,319</b>	<b>(120,295)</b>	<b>13,547</b>
<b>DISCONTINUED OPERATIONS</b>					
Profit/(Loss) for the year from discontinued operations	2,327	(10,478)	(22,703)	(30,857)	(34,883)
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>24,284</b>	<b>(7,905)</b>	<b>(19,384)</b>	<b>(151,152)</b>	<b>(21,336)</b>
<b>Attributable to:</b>					
Equity holders of the Company	24,284	(7,904)	(19,747)	(150,663)	(21,280)
Non-controlling interests	—	(1)	363	(489)	(56)
	<b>24,284</b>	<b>(7,905)</b>	<b>(19,384)</b>	<b>(151,152)</b>	<b>(21,336)</b>

### ASSET, LIABILITIES AND NON-CONTROLLING INTERESTS

	As at 31 December				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
<b>TOTAL ASSETS</b>	<b>1,036,078</b>	<b>1,037,799</b>	<b>1,104,335</b>	<b>1,185,911</b>	<b>1,256,179</b>
<b>TOTAL LIABILITIES</b>	<b>(10,127)</b>	<b>(13,810)</b>	<b>(36,728)</b>	<b>(43,896)</b>	<b>(47,860)</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>—</b>	<b>758</b>	<b>757</b>	<b>1,115</b>	<b>591</b>
	<b>1,025,951</b>	<b>1,024,747</b>	<b>1,068,364</b>	<b>1,143,130</b>	<b>1,208,910</b>

# CORPORATE INFORMATION

## EXECUTIVE DIRECTOR

Penny Soh Peng CROSBIE-WALSH (*Chief Executive Officer*)

## NON-EXECUTIVE DIRECTOR

Hung Han WONG (*Non-executive Chairman*)

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Kin Wing CHEUNG  
Imma Kit Sum LING  
Hin Fun Anthony TSANG

## COMPANY SECRETARY

Pui Man CHENG

## AUDITOR

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29th Floor, Lee Garden Two  
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Causeway Bay  
Hong Kong

## SHARE REGISTRARS

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## REGISTERED OFFICE

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Hong Kong

## WEBSITE

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## STOCK CODE

The Stock Exchange of Hong Kong Limited: 00128

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